ZIMPLATS
Member of the Implats Group

2017 INTEGRATED ANNUAL REPORT

OUR MISSION

Zimplats' business is the production of platinum group and associated metals from the Great Dyke in Zimbabwe in a safe and sustainable manner.

OUR VISION

Our vision is to be the safety and cost leader in the platinum sector with sustainable growth in production, whilst generating superior returns for the benefit of all our stakeholders.

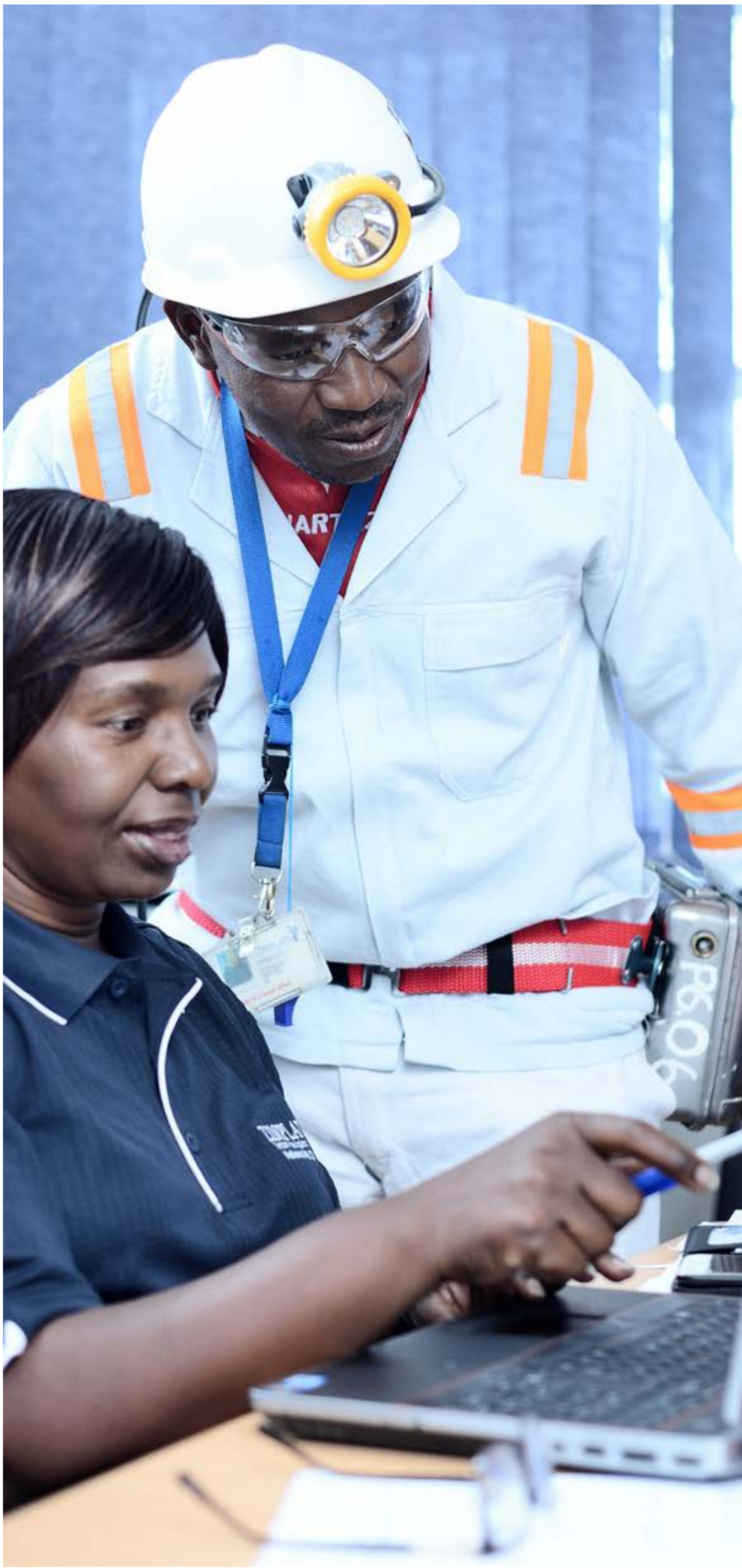
OUR OBJECTIVES

We will achieve our mission and vision through sustainable, purposeful and focused attention on the:

- Extraction of mineral resources in a socially and environmentally friendly manner
- Safety and health of all our employees, contractors and visitors at the workplace
- Achievement of set production targets through the effective and efficient utilisation of all resources at our disposal
- Establishment of effective systems and processes throughout the value chain to maximise stakeholder value
- Capability development, recognition and appropriate reward of our people.

OUR VALUES

- We respect
- We care
- We deliver



ABOUT THIS REPORT

This integrated annual report covers the financial period from 1 July 2016 to 30 June 2017 and is prepared for Zimplats Holdings Limited ('Zimplats' or the 'Company') and its subsidiaries (together the 'Group') in all regions.

The reporting cycle is annual with the last report having been published in August 2016.

This integrated annual report can be viewed at **www.zimplats.com**

Please address any queries or comments on this report to info@zimplats.com or stewart.mangoma@zimplats.com.

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Scope of this Report

The report is the responsibility of the Company's directors. In line with the recommendations of the King III Report on Corporate Governance, the report integrates those material aspects of the Group's environmental, social and governance impacts with the operational and financial performance of the business. It also presents the risks and opportunities that the Group faces, whilst seeking to provide a concise and balanced account of performance over the reporting period. The report also covers the approach taken to address those social, economic, environmental and governance issues which not only have a material impact on the long-term success of the business but are also important to key stakeholders.

In addition, Zimplats is required to comply with the Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations, Third Edition and the requirements of the Companies (Guernsey) Law, 2008 (as amended). Zimplats has also complied with International Financial Reporting Standards (IFRS).

The Global Reporting Initiative G4 (GRI G4) Guidelines have been adopted as the basis for disclosure of sustainability information in this integrated annual report. The report has been prepared in accordance with the GRI G4 'Core' level guidelines. Ernst & Young (EY) has performed a limited assurance engagement for selected sustainability information and disclosures included in this report as can be seen in the EY assurance report on pages 174 to 177 of this integrated annual report.

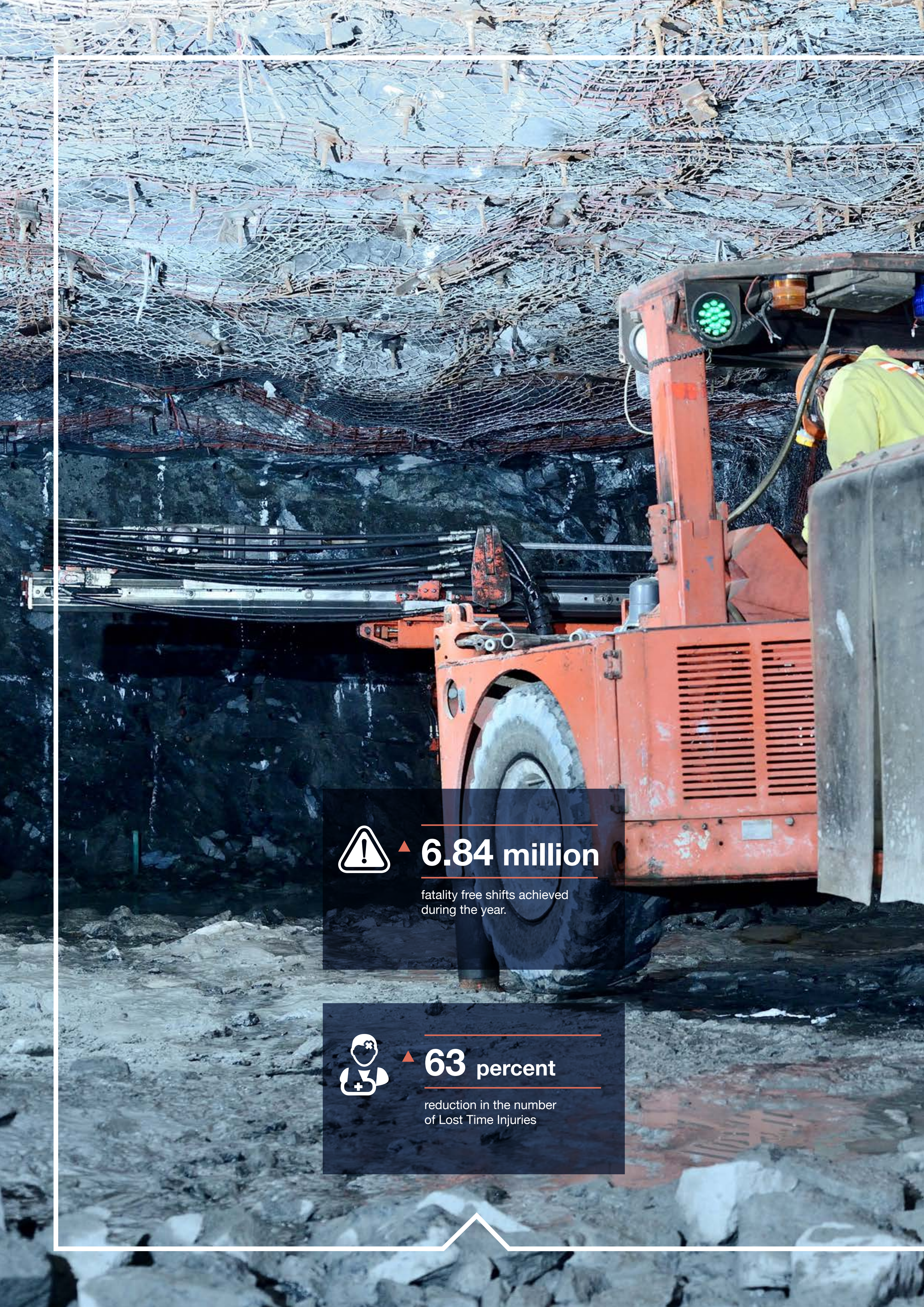
The reported Mineral Resources and Ore Reserves estimates are prepared in accordance with the requirements of the Australasian Code for reporting on Mineral Resources and Ore Reserves (JORC) and have been signed off by defined competent persons.

Prior year comparatives have been provided, while in some instances, in order to illustrate historical trends, statistics and graphical representation cover up to five years. Both historical and forward-looking data are provided. There has been no material restatements of data or measurement methods during the year.

There has been no change to the share structure of the Company.

US$ refers to United States of America dollars.


MV-U40D
BEACON
LIGHTS
WORKLIGHT
HORN



6.84 million

fatality free shifts achieved during the year.

63 percent

reduction in the number of Lost Time Injuries

OVERVIEW

Business Profile

Zimplats Holdings Limited is a limited liability company which is registered in Guernsey and is listed on the Australian Stock Exchange. It is in the business of producing platinum group and associated metals. The Company is a subsidiary (87% shareholding) of one of the world's leading producers of platinum group metals (PGMs), the South African based and listed Impala Platinum Holdings Limited (Implats), which contributes approximately 25% of global platinum output.

The Company's wholly owned operating subsidiary is Zimbabwe Platinum Mines (Private) Limited, which is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke in Zimbabwe. The Company has a Mineral Resource base of approximately 222.6 M oz. 4E. 4E (four elements) consists of platinum, palladium, rhodium and gold.

The operating subsidiary operates four underground mines and one open pit mine which supply ore to three concentrator modules (two at Ngezi and the third one at Selous).

Three of the four underground mines are operating at full production while the fourth one is currently under re-development. Production from the mining operations is processed by the three concentrators and then further refined at Selous where the smelter is located.

At year end, Zimplats had a workforce of 5 943 comprising 3 065 own employees and a further 2 878 contractors (an increase of 20% in the year).

Ore production in the period was 7 million tonnes (Mt) (2016: 6.6 Mt). Matte and concentrate sold during the year to the operating subsidiary's sole customer, Impala Refining Services Limited, amounted to 555 892 4E oz. (2016: 582 833 4E oz.).

PLATINUM GROUP METALS – THE 'GREEN' METALS

PGMs are precious metals, which frequently occur together in nature as constituents of various ores and minerals. PGMs are a family of six metals: platinum, palladium, rhodium, iridium, ruthenium and osmium, all of which have similar chemical and physical properties and are grouped together in the periodic table.

Platinum and palladium are vital components in autocatalytic converters which play a significant role in controlling air pollution by reducing emissions in both gasoline and diesel engines.

PGMs are recyclable, ensuring not only a reduction in waste but also sustainability of supply. Their excellent resistance to corrosion and high melting points make them ideal metals for a variety of industrial uses. PGMs are used in fuel cell development. Fuel cells are able to reduce air pollution considerably while curtailing demand for fossil fuels.

Where We Came From

2017
- Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake to the Zimplats Employee Share Ownership Trust as part of its Indigenisation implementation plan (IIP)
- Attained six million fatality free shifts

2016
- Surpassed Phase 2 (6.2Mtpa) mining and milling production capacity
- Attained five million fatality free shifts

2015
- Bimha Mine partial collapse and redevelopment
- Resuscitation of open-pit operations

2013
- Phase 2 expansion plant commissioned on schedule
- Attained 10 million fatality free shifts

2010
- Zimplats embarked on the US$492 million Phase 2 expansion, development of 4th underground mine at Ngezi, to increase production to 6.2Mtpa

2006
- Zimplats released 36% of its ground to the Government of Zimbabwe in return for anticipated cash and empowerment credits
- Zimplats embarked on the US$340 million Phase 1 expansion project, increasing mining and concentrator capacity to 4.2Mtpa

2003-5
- Implats increased shareholding to 87%

2001
- Zimplats established open-pit mine at Ngezi (2.2Mtpa) with investment from Implats

2000
- Zimplats took over BHP's share of Hartley Mine

1999
- BHP closed Hartley Mine after failing to meet targets

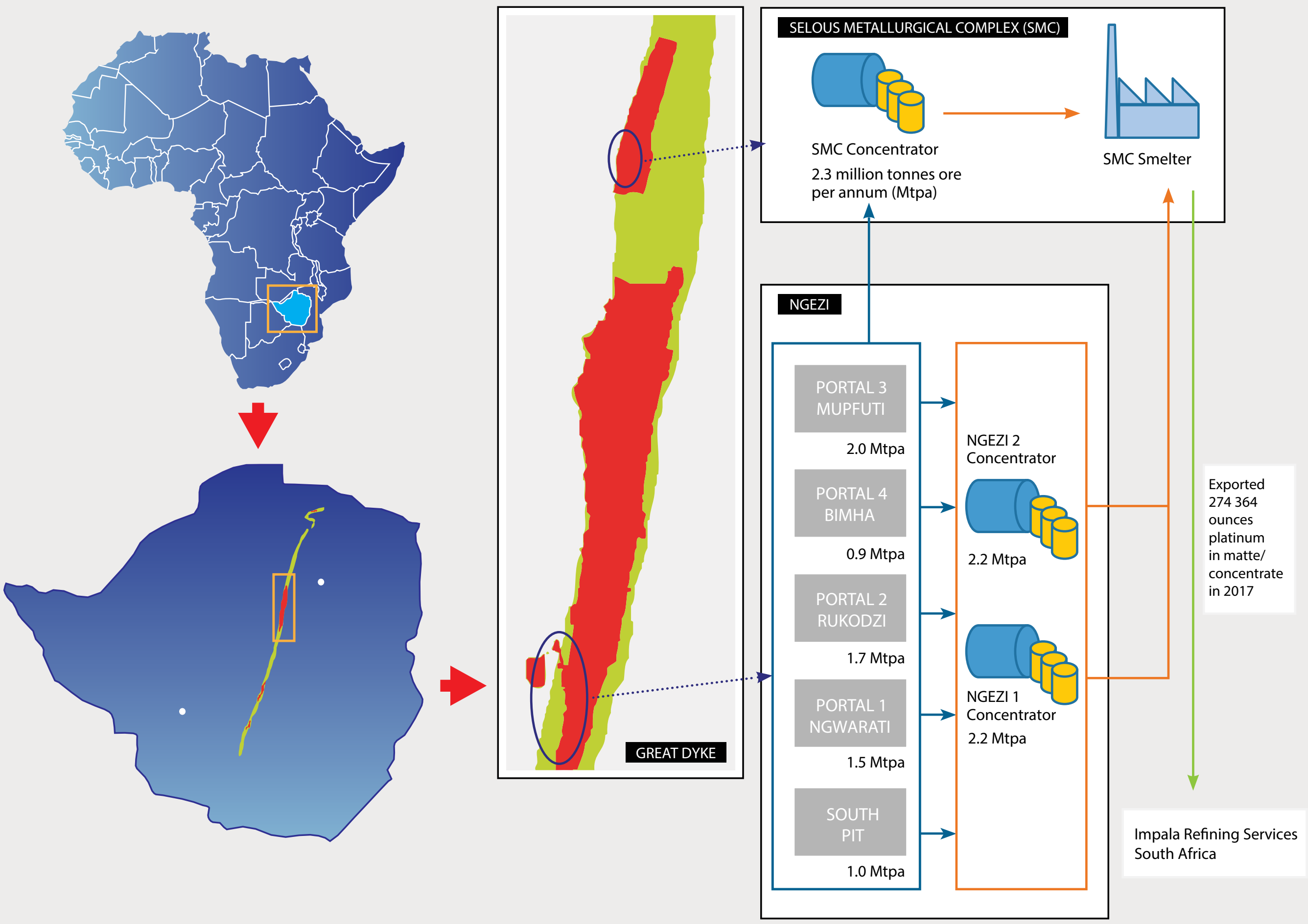
1996
- The Hartley concentrator started operating

1994
- Delta-BHP joint venture starts to develop Hartley Mine

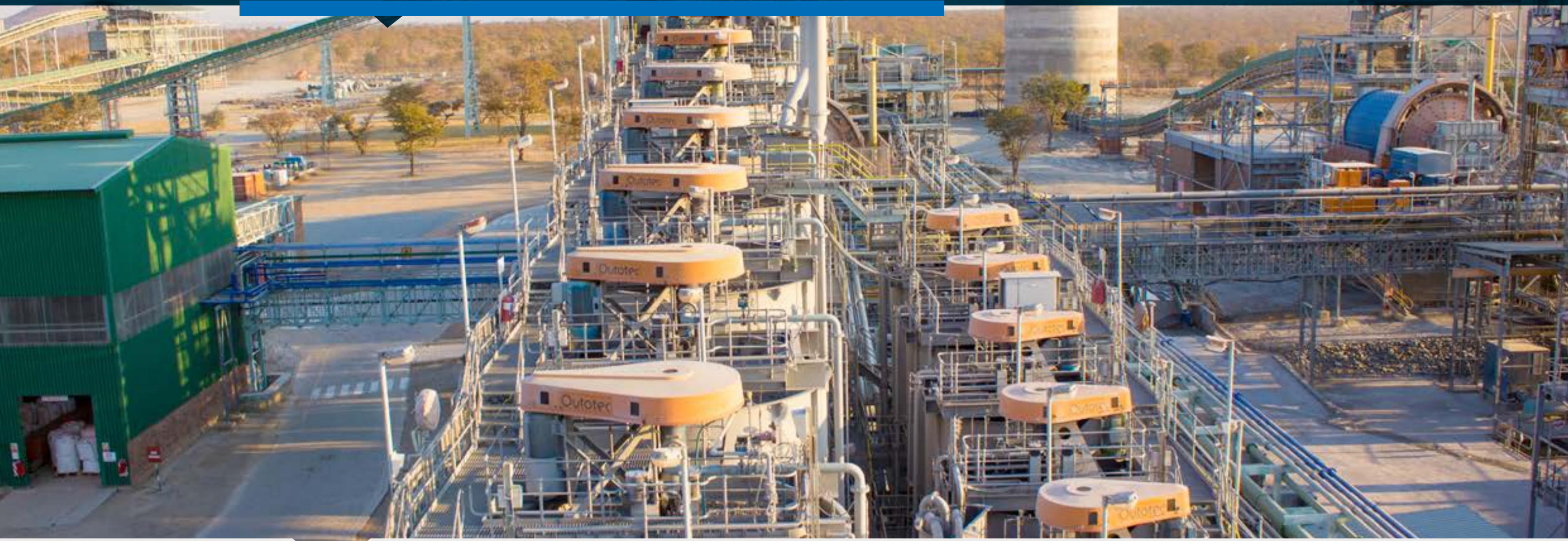
1986
- Delta Gold obtained an exclusive prospecting order from the Government of Zimbabwe

1980
- Zimbabwe independence

Location and Operations



Corporate Structure



Independent Shareholders

13%

Impala Platinum Holdings Limited
Incorporated in South Africa
Listed on the Johannesburg Stock Exchange

87%

Zimplats Holdings Limited
Incorporated in Guernsey
Listed on the Australian Stock Exchange

Zimplats Employee Share Ownership Trust
Established in Zimbabwe

10%

90%

Zimbabwe Platinum Mines (Private) Limited
Operating Subsidiary
Incorporated in Zimbabwe

Board of Directors

CHAIRMAN
Dr Fholisani Sydney Mufamadi
MSc, PhD
Appointed to the board on 1 May 2015 and appointed as the chairman of the board with effect from 1 July 2015. Dr Mufamadi is an independent non-executive director of Impala Platinum Holdings Limited. He is the current director of the School of Leadership at the University of Johannesburg, South Africa and he serves on the subsidiary boards of the Barclays Bank Africa Group in Mozambique and Tanzania.

NON-EXECUTIVE DIRECTOR

Chief Executive Officer
Alexander Mhembere
ACIS, ACMA, MBA
Appointed chief executive officer on 1 October 2007, having formerly been the managing director of a Zimbabwean PGM producer. Alex is the chief executive officer of Zimplats Holdings Limited and the chairman of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. He is a past president of the Chamber of Mines of Zimbabwe.

Chief Finance Officer
Stewart Magaso Mangoma
BCompt (Hons) UNISA, CA (Z)
Joined the Zimplats group on 1 March 2013 as a director and the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. Stewart has held senior executive positions in a number of leading companies in Zimbabwe.

EXECUTIVE DIRECTORS

Board of Directors (continued)

Brenda Berlin
BCom (Wits), BAcc (Wits), CA (SA)
Joined the board on 1 March 2010 and is the chief finance officer for Impala Platinum Holdings Limited. Brenda is a member of the audit and risk committee.

Alec Muchadehama
MBA, LLB, BL (Hons)
Appointed to the board on 17 October 2016. Alec is a partner of the Harare law firm of Mbidzo, Muchadehama and Makoni. He is the chairperson of the Voluntary Media Council of Zimbabwe and the chairperson of the National Transitional Justice Working Group in Zimbabwe. He sits on a number of other boards in Zimbabwe. Alec is a member of the board's audit and risk committee and remuneration committee.

Nicolaas Johannes Muller
Bsc (Mining Engineering)
Appointed to the board on 1 May 2017. Nico was appointed the chief executive officer and executive director of Impala Platinum Holdings Limited on 3 April 2017. Nico has a mining career spanning over a period of 27 years that has exposed him to multiple commodities including platinum.

NON-EXECUTIVE DIRECTORS

Board of Directors (continued)

Dr Dennis Servious Madenga Shoko
PhD, BSc Special Honours (Geology), BSc General
Appointed to the board on 17 October 2016. Dr Shoko is the managing consultant and a director of Tailjet Consultancy Services (Private) Limited. He is a non-executive director of Chemaden Resources, Afrochine Smelting and African Chrome Fields and has previously held non-executive directorships in other companies in the mining sector. He is a member of the board's safety, health, environment and community committee.

Zacharias Bernardus Swanepoel
BSc (Mining Engineering), BCom (Hons)
Appointed to the board on 1 July 2015. Bernard is an independent non-executive director of Impala Platinum Holdings Limited. He is a director of To The Point Growth Specialists (Proprietary) Limited and a non executive director of African Rainbow Minerals Limited. He is the chairman of the board's safety, health, environment and community committee.

Nyasha Puza Siyabora Zhou
BAcc (UZ), CA (Z), CIMA (UK), MBL (UNISA)
Appointed to the board on 1 March 2010. Nyasha is a past president of the Institute of Chartered Accountants of Zimbabwe and sits on a number of other boards in Zimbabwe. Nyasha is the chairman of the board's audit and risk committee and is a member of the remuneration committee.

NON-EXECUTIVE DIRECTORS

Management Structure

- EXECUTIVE COMMITTEE (EXCO)
  - OPERATIONS COMMITTEE (Opco)
  - TECHNICAL COMMITTEE (Techco)
  - FINANCE COMMITTEE (Finco)
  - PEOPLE COMMITTEE (Peopleco)
  - PROJECTS STEERING COMMITTEE
  - CAPITAL STEERING COMMITTEE
  - PROCUREMENT COMMITTEE

Management Executive Committee




ALEXANDER MHEMBERE
ACIS, ACMA, MBA
Chief Executive Officer
Alex joined the Group as chief executive officer on 1 October 2007, having formerly been the managing director of a Zimbabwean PGMs producer. He is the chairman of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited.

STEWART MANGOMA
BCompt (Hons) UNISA, CA (Z)
Chief Finance Officer
Stewart joined the Group on 1 March 2013 as chief finance officer. Stewart is the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary. He is chairman of the operating subsidiary's finance committee, procurement committee and information technology steering committee. He is a member of the operating subsidiary's capital steering committee and project steering committee.

STANLEY SEGULA
BSc (Mining Eng) (Hons) (UZ), MBA, MMCZ
Managing Director
Stanley joined the Group on 1 April 2008 and was appointed chief operating officer of the operating subsidiary in March 2011 and then managing director of the operating subsidiary in November 2015. He is the chairman of the operating subsidiary's operations committee. He was appointed to the board of the operating subsidiary in February 2013.

TAKAWIRA MASWISWI
MSc (Tourism and Hospitality), MIPM
Human Resources Director
Takawira joined the Group on 1 February 2012 as general manager – human resources of the operating subsidiary. He was appointed human resources director and to the board of the operating subsidiary on 1 March 2017. He is the chairman of the operating subsidiary's people committee.

AMEND CHIDUMA
BSc (Electrical Eng) (Hons), Mine Engineer's Diploma, General Management Diploma
General Manager – Engineering
Amend joined the Group on 1 November 2008 and was appointed general manager – engineering of the operating subsidiary in 2013. He assumed responsibility for all engineering and projects activities for the operating subsidiary in May 2015. He is the chairman of the operating subsidiary's technical committee.

SIBUSISIWE CHINDOVE
B. Admin Hons (UZ), MSc (Cork)
Head of Corporate Affairs
Sibusisiwe joined the Group on 1 November 2008 as the operating subsidiary's head of corporate affairs.

LYSIAS CHIWOZVA
B. Eng (Hons) Industrial (NUST), MBA (UZ), MIRM (UK)
Risk and Strategy Manager
Lysias joined the Group on 1 September 2012 as the operating subsidiary's risk and strategy manager.

GARIKAI BERA
LLB (Hons) (UZ)
Legal Counsel and Company Secretary
Garikai joined the Group on 1 April 2009 and was appointed company secretary of the operating subsidiary in May 2014.

Chairman's Letter

A record 7 million tonnes of ore was mined during the year.

4%

increase in ore milled from 6.4 million tonnes in FY2016 to a record 6.7 million tonnes

TO ALL OUR STAKEHOLDERS

In its thrust to create value through the extraction of mineral resources for Zimbabwe and its various key stakeholders, Zimplats remains committed to sustainable development by monitoring economic and social development while taking necessary action to protect and improve the environment. Engagement with stakeholders is paramount in these efforts.

Your Company achieved record safety, mining and milling performance during the financial year ended 30 June 2017 (FY2017). However, metal production and metal sales volumes were lower than the previous year which benefited from the sale of concentrates stockpiled during the planned furnace shutdown in FY2015. The financial results for the year under review were better than what was achieved in the previous year due to:

- a slight improvement in average metal prices;
- proceeds from the disposal of treasury bills issued by the Government of Zimbabwe in settlement of the previously written off US$34 million debt owed by the Reserve Bank of Zimbabwe (RBZ); and
- export incentive received from the RBZ.

The stringent measures to contain costs and preserve cash which were instituted in the previous year continued during FY2017 as metal prices remained low.

INDIGENISATION IMPLEMENTATION PLAN

I am pleased to report that Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary') concluded in the current year the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust (ESOT) as part of its indigenisation implementation plan (IIP). The ESOT subscribed for and was issued with, a 10% equity stake in the operating subsidiary that was funded through a vendor finance scheme.

Chairman's Letter (continued)

In April 2016, His Excellency the President of the Republic of Zimbabwe Robert Gabriel Mugabe issued a statement clarifying the Government of Zimbabwe's position on the Indigenisation and Economic Empowerment Policy for the guidance of the business community and investors, among other stakeholders. The statement clarified the Government of Zimbabwe's position in respect to the natural resources sector, namely that "for existing businesses where Government does not have 51% ownership, compliance with the Indigenisation and Economic Empowerment Policy should be through ensuring that the local content retained in Zimbabwe (in the form of wages, salaries, taxation, community ownership schemes, and other activities such as procurement and linkage programmes) is not less than 75% of gross value of the exploited resources". Against the background of this statement, the Group, through the operating subsidiary, continues to engage the Government of Zimbabwe with a view to finalising its IIP.

COMPULSORY ACQUISITION OF A PORTION OF MINING LEASE AREA

As reported previously, in March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a large portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. In March 2013, the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land. The March 2013 preliminary notice was subsequently superseded by a new preliminary notice which the Government of Zimbabwe issued on 13 January 2017, in terms of which the Government of Zimbabwe gave fresh notice of its intention to compulsorily acquire the same portion of ground. The new preliminary notice repealed all previous notices issued by the Government of Zimbabwe. The operating subsidiary lodged an objection to the proposed acquisition as was set out in the new notice. Following the lodging by the operating subsidiary of its objection, the Government of Zimbabwe on 24 May 2017 served the operating subsidiary with an order of compulsory acquisition and then on 26 June 2017 the Government of Zimbabwe filed a court application seeking confirmation of the acquisition. The operating subsidiary responded to the court application and the parties are currently engaged in discussions to find an amicable resolution of the matter.

SAFETY, HEALTH AND ENVIRONMENT

I am pleased to report that your Company completed yet another year without any fatality, increasing the number of fatality free shifts from 5.02 million in FY2016 to 6.84 million. Your Company attained another significant safety milestone during the year by achieving a record 365 days without a lost-time injury on 9 April 2017. The total number of recordable injuries on duty decreased from 14 in FY2016 to a record six in the current year. Lost-time injuries also declined dramatically from eight in FY2016 to three in the year under review. The total injury frequency rate (TIFR) and the lost-time injury frequency rate (LTIFR) improved by 59% (from 1.01 in FY2016 to a record 0.41▲ in FY2017) and 64% (from 0.58 in FY2016 to 0.21▲ in FY2017) respectively. Your board and management remain committed to achieving the ultimate objective of zero harm.

Your Company continued with the implementation of programmes aimed at improving the health of its workforce and their dependents. The programmes implemented during the year focused on:

- the management of HIV and AIDS;
- the management of and awareness on non-communicable diseases;
- malaria control; and
- occupational health monitoring.

Your Company's environmental management programme performed exceptionally well in the year with no▲ major environmental non-conformances reported and huge improvements in resource conservation and pollution reduction. Good progress was recorded during the year on the rehabilitation of the tailings dams' surfaces and the closed open pit sites.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chairman's Letter (continued)

OPERATIONS

A record 7 million tonnes of ore (FY2016: 6.6 million tonnes) were mined during the year. Bimha Mine redevelopment remains on course to reach design production in April 2018. The development of Mupani Mine (replacement mine for Rukodzi and Ngwarati mines which will be depleted in FY2022 and FY2025 respectively) was approved by the board and commenced during the year and is progressing according to plan in terms of both time and cost.

Ore milled increased by 4% to a record 6.7 million tonnes (FY2016: 6.4 million tonnes). Platinum production for the year at 281 069 ounces decreased by 3% from the 290 410 ounces reported in FY2016. The FY2016 metal production included metal realised from the sale of concentrate stockpiled during the furnace shutdown in FY2015.

While metal prices have remained low, good financial results were recorded for the year mainly due to the excellent production performance, the RBZ's export incentive scheme and the disposal of treasury bills issued by the Government of Zimbabwe in settlement of the debt owed to the operating subsidiary by the RBZ.

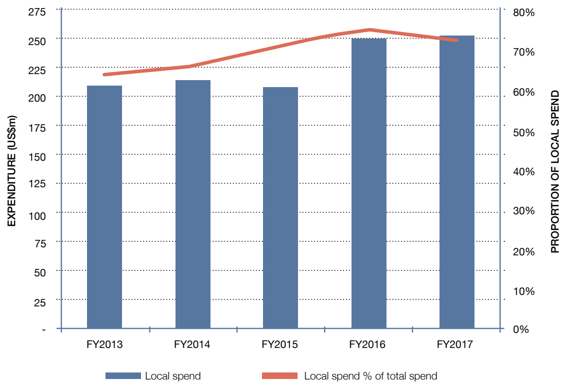
TAXATION ISSUES

The operating subsidiary's engagement with the Zimbabwe Revenue Authority (ZIMRA) regarding current and legacy tax issues has remained constructive creating a cordial relationship with the tax authorities. However, there are historical tax and customs duties matters that are pending in the Special Court for Income Tax Appeals and in the High Court of Zimbabwe.

ZIMPLATS' CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

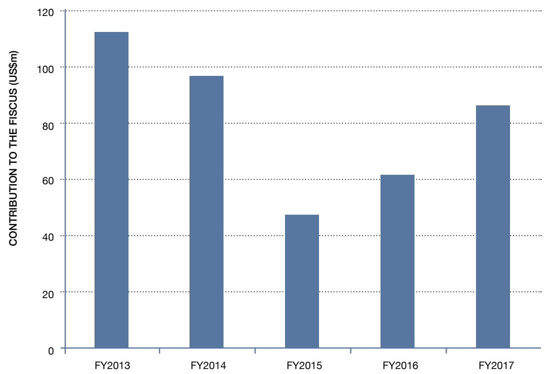
Zimplats' contribution towards the Zimbabwean fiscus and the economic development of Zimbabwe has remained positive with the operating subsidiary procuring 73% of its goods and services (excluding payments to government institutions) from local suppliers. The total value of local payments increased marginally from US$252 million in FY2016 to US$253 million in FY2017 as shown in the graph below.

LOCAL SPEND



Payments to the government in respect of corporate tax, additional profits tax, royalties, payroll taxes and customs duties for the year increased from US$62 million in FY2016 to US$86 million.

CONTRIBUTION TO THE FISCUS



The operating subsidiary, in pursuit of its objective to contribute positively towards the development of Zimbabwe, spent 83% of its sales proceeds in Zimbabwe.

Chairman's Letter (continued)

OUTLOOK

Your Company remains committed to exploring, extracting and beneficiating its Mineral Resource. To this end, the Company is investing US$264 million in the development of a new mine (Mupani Mine) to replace Rukodzi and Ngwarati mines which will be depleted in FY2022 and FY2025 respectively. In addition, the operating subsidiary is planning to reline and improve the existing furnace to reduce the beneficiation risk.

The future of the Company remains bright despite the pressures from the liquidity challenges in Zimbabwe and low commodity prices on the world market. The bright future is premised on your Company focusing on maintaining sustainable business practices, achieving production volumes, containing costs and preserving its cash resources.

Your Company will continue to foster cordial working relationships with all stakeholders including the Government of Zimbabwe, its suppliers, employees, the community and the tax authorities. The board and management remain committed to complying with the laws of the countries in which the Group operates in.

ACKNOWLEDGMENTS

On behalf of Zimplats, I would like to thank my colleagues on the board, management, employees, suppliers and other stakeholders for their contribution which enabled the Company to deliver exceptional operational and financial results in this challenging operating environment.

During this financial year, we bid farewell to four of our colleagues on the board, Muchadeyi Ashton Masunda, Dr Khotso David Kenneth Mokhele, Leslie John Paton and Terence Philip Goodlace.

- Muchadeyi retired as a director of the Company at the annual general meeting held on 14 October 2016. Muchadeyi was appointed as a director of Zimplats in 2007. He was subsequently appointed as deputy chairman of the board with effect from 1 March 2010. He was acting chairman of the board from 1 July 2012 until 30 June 2015. On behalf of the board, I would like to express our sincere gratitude to Muchadeyi for his valuable contribution to the Company and for his leadership of the board during his period as acting chairman. The board and management wish Muchadeyi all the best in the future.

Chairman's Letter (continued)

- Khotso also retired as a director of the Company at the annual general meeting held on 14 October 2016. Khotso was appointed to the board in 2007. He served as the non-executive chairman of Impala Platinum Holdings Limited from 2009 until his retirement from that position in 2015. The board and I extend our sincere appreciation to Khotso for his significant contribution to the Company and for the guidance that he provided to the board over the years. The board and management wish Khotso every success in the future.

- Leslie resigned as a director of the Company on 17 October 2016. He was appointed to the board in 2003 and served on the Company's safety, health, environment and community (SHEC) committee (which he chaired since 2007) and on the remuneration committee. On behalf of the board, I would like to sincerely thank Les for his invaluable and significant contribution to the Company over the years. The board and management wish him all the best in the future.

- Terence resigned as a director of the Company with effect from 1 February 2017. He was appointed to the board in August 2012 and he was a member of the board's SHEC committee. He served as the chief executive officer of Impala Platinum Holdings Limited from 2012 until he stepped down from that position on 1 December 2016. On behalf of the board, I sincerely thank Terence for his tremendous and invaluable contribution to the Group during his period as a director of the Company. The board and management of the Company wish him every success in the future.

We welcomed onto the board three new directors, Alec Muchadehama, Dr Dennis Shoko and Nicolaas (Nico) Muller. Alec and Dennis were appointed to the board with effect from 17 October 2016 and Nico was appointed to the board on 1 May 2017. Both the board and I extend a warm welcome to Alec, Dennis and Nico.

I look forward to a brighter FY2018.

Fholisani Sydney Mufamadi
Chairman of the board
8 September 2017

US$253 million

was spent on local payments in FY2017.

US$63.3 million

was spent on capital projects during the year.

PERFORMANCE REVIEW

Chief Executive Officer's Report

US$45.5 million
profit after tax

One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. As part of our commitment to conducting business in a sustainable manner, we embrace this challenge and continuously examine the way in which we do business and the impact that we have on our stakeholders and the environment.

KEY PERFORMANCE FEATURES

The Group delivered excellent results in all areas of operations as highlighted below:

- Zero▲ fatalities
- Over six million fatality free shifts achieved during the year
- A 63% reduction in the number of lost time injuries (LTIs) from eight in FY2016 to three in FY2017
- Lost-time injury frequency rate (LTIFR) reduced by 64% from 0.58 to 0.21▲
- Run-of-mine (ROM) ore production increased by 6% from 6.6 million tonnes to a record 7 million tonnes
- A record 6.7 million tonnes of ore were milled during the year
- Platinum in converter matte produced and in concentrate sold decreased by 3% from 290 410 ounces in the previous period to 281 069 ounces
- Bimha Mine redevelopment remains on schedule to attain design capacity by the fourth quarter of FY2018
- Mupani Mine (replacement for Ngwarati and Rukodzi mines) development is on schedule to get to ore contact in FY2020
- US$20.8 million was realised from the disposal of treasury bills issued to the operating subsidiary in settlement of the previously written off US$34 million RBZ debt
- A total of US$14 million RBZ export incentive was realised in the year
- A profit after tax of US$45.5 million was recorded during the year compared to US$7.3 million in the prior period
- The Zimplats Employee Share Ownership Trust (ESOT) transaction was concluded in January 2017

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chief Executive Officer's Report (continued)

SAFETY, HEALTH AND ENVIRONMENT

Safety

Key performance indicator	FY2017	FY2016	Variance
Fatalities	0▲	0	-
Lost-time injuries	3	8	63%
Total injuries	6	14	57%
Fatal injury frequency rate	0	0	-
Lost-time injury frequency rate	0.21▲	0.58	64%
Total injury frequency rate	0.41▲	1.01	59%

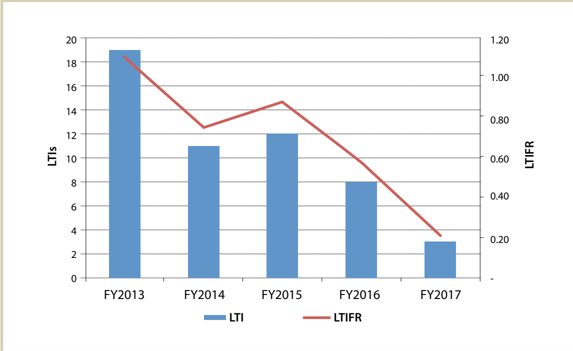
I am pleased to report that the Group managed to complete yet another year without a fatality. As at 30 June 2017, the Group had accumulated 6.84 million fatality free shifts. The last fatality regrettably occurred on 12 August 2013.

It is gratifying to report that the Group achieved 365 LTI-free shifts on 9 April 2017. This record safety performance was subsequently soured by three LTIs which were recorded during the final quarter of the year. The total number of LTIs recorded in the year decreased significantly from eight in FY2016 to three in FY2017. This resulted in a 64% improvement in the LTIFR from 0.58 in FY2016 to 0.21 in FY2017. The total number of reported injuries decreased by 57% from 14 in FY2016 to six in FY2017 resulting in the total injury frequency rate (TIFR) improving by 59% from 1.01 to a record 0.41▲. The Group remains committed to the 'zero harm' objective and will strive to achieve this through the implementation of the people and technology centred strategic safety initiatives approved by the board at the March 2017 strategy meeting.

9%
Revenue increase

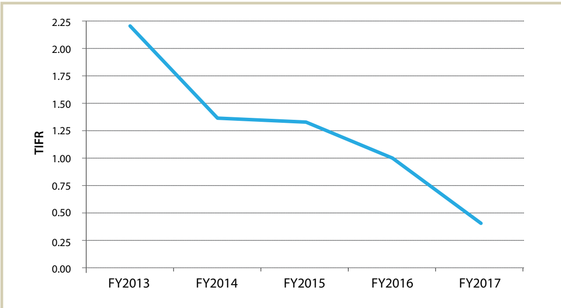
▲This item was the subject of the limited assurance engagement performed by EY.

Lost-time injuries trend



Note - FY2013 to FY2015 were restated in the prior period to include injuries previously classified as restricted work cases

Total injury frequency rate trend



Health

The Group's wellness programme was further enhanced to cover total health by introducing a mental health programme for all employees. Employee wellness and behaviour is key to safe production in the workplace and achievement of the Group's 'zero harm' objective. As part of the wellness programme, a team of external specialists was engaged to carry out an assessment of the mental health status of individual employees with a view to supporting those requiring assistance. The areas of focus included stress and depression, alcohol and drug abuse and family relationships among others. This was over and above the ongoing programmes to manage non-communicable diseases (NCDs) such as hypertension, cholesterol and diabetes through lifestyle changes.

Occupational health monitoring for the year focused on occupational lung diseases (mainly pneumoconiosis), noise induced hearing loss (NIHL) and backaches. An ergonomic and vibration survey was instituted in response to a rise

Chief Executive Officer's Report (continued)

in cases of backache mainly among mining employees and recommended remedial action plans are under implementation.

Environment

Key performance indicator	Unit of measure	FY2017	FY2016	Variance
Major environmental non-conformance	Number	0▲	0	0
Area rehabilitated at the tailings dams	Hectares (Ha)	53	16	231%
Water abstracted from dams and underground	Mega litres (ML)	7 218 ▲	7 903	9%
Water recycled	Percentage (%)	41	35.2	17%
Fresh water consumption	Kilo litres (KL)/ tonne ore	1.07	1.23	13%
Carbon emission	Carbon dioxide (CO_2)/ tonne ore	0.057	0.059	3%
Energy consumption	Giga joules (GJ)/tonne ore	0.37	0.39	5%

There were no major issues of environmental non-compliance reported from the internal and external legal compliance audits carried out during the year.

Environmental management systems (ISO 14001) were successfully aligned with the revised standard, ISO 14001:2015. The operating subsidiary was granted certification to ISO 14001:2015 in October 2016 by DQS Management Systems.

Rehabilitation of the closed open-pits continued as planned in the year. Good progress was achieved in rehabilitating the tailings storage facilities with 53 hectares re-vegetated in the year, up from 16 hectares in FY2016.

Water withdrawn from dams and underground decreased by 9% from 7 903 mega litres in FY2016 to 7 218▲ mega litres in FY2017. This was achieved through increased water recycling (41% of total water was recycled in FY2017 compared to 35% for FY2016).

The Group's waste management activities are focused on ensuring compliance with legislative requirements. Domestic waste landfills are lined and equipped with the leachate collection system in compliance with the solid waste and effluent regulations. Waste segregation infrastructure was erected at the landfill sites during the year to enhance waste collection for recycling. Clean-up campaigns involving environmental regulatory authorities, rural district councils, business community, community members, local community leadership, schools and churches were held during the year with a view to encouraging good waste management practices in the communities in which the Group operates.

Zimplats' most significant air quality management challenge relates to sulphur dioxide (SO_2) emissions from smelting operations. The point source air emission discharge point is licensed (red permit) by the Environmental Management Agency in line with the air pollution regulations. Point source and ambient air monitoring network has been established at the operations. The ambient ground level concentrations for SO_2 remain within limits in terms of the World Health Organisation (WHO) and South African standards. We remain committed to run the Group's operations in a sustainable manner.

OPERATIONS

I am delighted to report that the Group achieved record mining and milling production in the year as shown in the table below.

Key performance indicator	FY2017	FY2016	Variance
Ore mined (million tonnes)	7.0	6.6	6%
4E head grade (g/t)	3.24	3.23	-
Ore milled (million tonnes)	6.7	6.4	5%
Concentrator 4E recovery rate (%)	80.6	80.8	-
Platinum produced (000 oz)	281.1	290.4	(3%)
In converter matte (000 oz)	262.9	269.5	(2%)
In concentrate sold (000 oz)	18.2	20.9	(13%)

Mining

The Group achieved a record ore production of 7 million tonnes in FY2017 (FY2016: 6.6 million tonnes). This was made possible by the good progress made on the redevelopment of Bimha Mine, which contributed production of 916 000 tonnes (FY2016: 442 000 tonnes).

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chief Executive Officer's Report (continued)

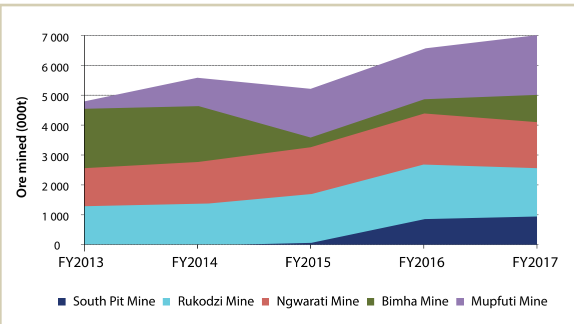
The Group has commenced scaling down production at Ngwarati and Rukodzi mines as Bimha and Mupfuti mines ramp up production to design capacities. The South Pit Mine has continued to bridge the ore supply gap caused by the collapse of Bimha Mine. The South Pit Mine is scheduled for closure in FY2018 when production from the underground mines will be sufficient to supply the concentrator plants.

The ground monitoring systems instituted at all the underground mines continued to show stable conditions. The general conditions in the new Bimha Mine footprint have remained stable while insignificant closure incidents were recorded in the old abandoned footprint.

The table below shows ROM ore production by mine.

Mine	FY2017	FY2016	Variance
Ngwarati Mine (Mt)	1.5	1.7	(12%)
Rukodzi Mine (Mt)	1.7	1.8	(5%)
Mupfuti Mine (Mt)	2.0	1.7	18%
Bimha Mine (Mt)	0.9	0.4	125%
Total underground ore (Mt)	6.0	5.7	5%
South Pit Mine (Mt)	1.0	0.9	11%
Total ROM ore (Mt)	7.0	6.6	6%

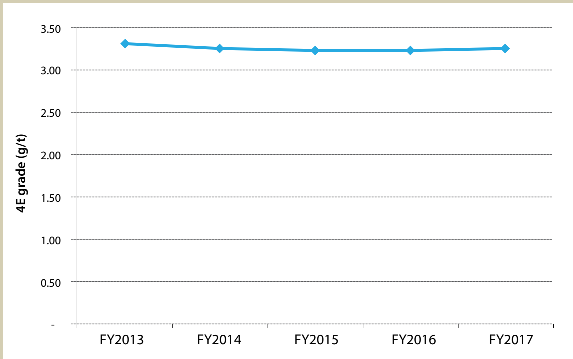
Ore mined



Head grade

Mine	FY2017	FY2016	Variance
Ngwarati Mine (g/t)	3.25	3.25	-
Rukodzi Mine (g/t)	3.39	3.38	-
Mupfuti Mine (g/t)	3.26	3.24	1%
Bimha Mine (g/t)	3.15	3.02	4%
Total underground ore (g/t)	3.27	3.27	-
South Pit Mine (g/t)	3.02	3.01	-
Total ROM ore (g/t)	3.24	3.23	-

Average 4E head grade increased marginally from 3.23g/t in FY2016 to 3.24g/t in FY2017.



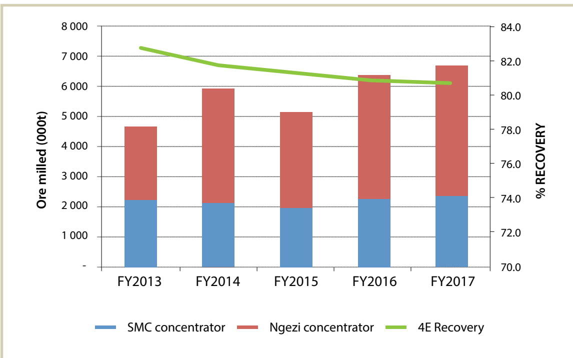
Processing

Concentrators

A record 6.7 million tonnes were milled in the year compared to 6.4 million tonnes milled in the previous year. This was largely due to good plant running time achieved and improved ore supply from the mines.

The overall 4E recovery rate for the year remained largely unchanged at 80.6% in FY2017 compared to 80.8% in FY2016 whilst mass pull was maintained at 2.1%.

Ore milled and recovery rates



Smelter

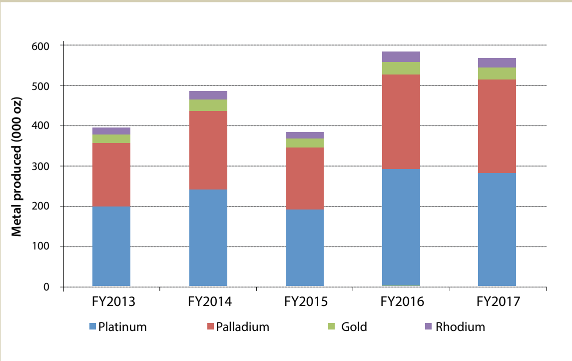
The total number of concentrates smelted decreased from 135 843 tonnes in FY2016 to 132 228 tonnes in FY2017 due to a smelter shutdown for 24 days. This was done to institute planned furnace sidewall inspection and matte tapholes repairs (including power ramp-up).

Platinum in converter matte produced decreased by 2% from 269 547 ounces in FY2016 to 262 871 ounces in FY2017 in line with the decrease in the furnace

Chief Executive Officer's Report (continued)

throughput. 4E metal production for the year also decreased from 541 001 ounces in FY2016 to 523 303 ounces in FY2017. The concentrates stockpiled during the furnace shutdown were exported during the year realising a further 18 198 ounces of platinum. Total platinum ounces produced and sold in the year decreased from 290 410 ounces and 288 063 ounces in FY2016 to 281 069 ounces and 274 364 ounces, respectively, in FY2017.

Metal production 4E Oz



CAPITAL PROJECTS

The Group spent a total of US$63.3 million on capital projects during the year (US$59.3 million stay in business projects and US$4 million expansion projects) compared to US$68.1 million spent in FY2016 (US$41.6 million stay in business projects and US$26.5 million expansion projects).

Expansion projects

The Ngezi Phase 2 expansion project is now substantially complete with a total project to date expenditure plus commitments of US$458 million as at 30 June 2017. The project will be officially closed in FY2018.

The SMC Base Metal Refinery (BMR) refurbishment project remains constrained by cash flow challenges arising from the depressed metal prices. The project total expenditure as at 30 June 2017 was US$23.4 million.

A total of US$4 million was spent on expansion projects during the year compared to US$27 million in the previous period.

Stay in business projects

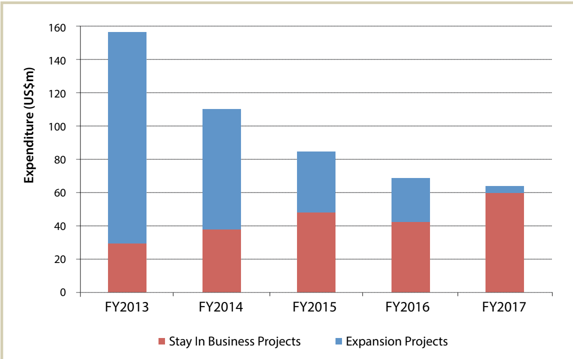
The implementation of the Bimha Mine redevelopment project is progressing well and the project is on schedule to achieve design production capacity by April 2018. A total of US$20.6 million was spent on this project during the year bringing the total project expenditure to US$36.5 million as at 30 June 2017. A total of US$9.4 million was committed as at the end of the year.

A total of US$10.8 million was spent on the replacement of trackless mining machinery in line with the current replacement plan.

The bankable feasibility study for Mupani Mine, targeting to replace Rukodzi and Ngwarati mines that deplete in FY2022 and FY2025 respectively, was approved by the board in November 2016. The boxcut mining was completed and decline development commenced during the year. A total of US$11 million had been spent on the project and US$1.1 million committed as at 30 June 2017. The mine is scheduled to reach full production of 2.2Mtpa in August 2025 at an estimated total project cost of US$264 million.

A total of US$59 million was spent on stay in business projects during this period, 40% more than the US$42 million spent in the previous period.

Capital expenditure



OUR PEOPLE

Staff turnover improved from 6.3% in FY2016 to 3.1% in the current year. As previously reported, FY2016 staff turnover was driven mainly by the implementation of a labour rationalisation exercise and retirements. The Group's industrial relations for the year were stable.

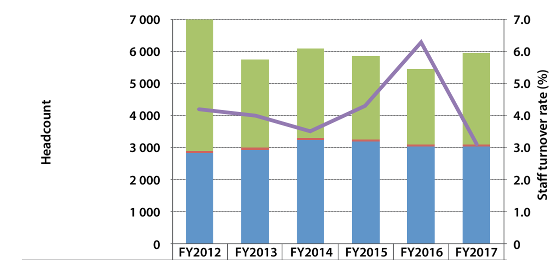
The number of permanent employees increased marginally from 3 041 to 3 053 as the mining division resourced the new teams introduced in the year. The number of contractor employees increased by 20% from 2 397 to 2 878 due to increased activity at the Mupani Mine development project.

Chief Executive Officer's Report (continued)

Regrettably, no progress has been made on the home ownership scheme for the employees based at SMC due to cash constraints. Various funding options for the delivery of the houses are currently under consideration.

I am however pleased to report that the ESOT transaction was concluded in January 2017. The ESOT acquired a 10% equity stake in Zimbabwe Platinum Mines (Private) Limited through a vendor finance scheme and the shares were duly transferred to the ESOT.

Labour headcount and turnover



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Contractors	6 762	2 775	2 749	2 605	2 397	2 878
Casuals	40	32	57	22	6	12
Permanent Employees	2 830	2 929	3 268	3 214	3 041	3 053
Staff turnover	4.2	4.0	3.5	4.3	6.3	3.1

SOCIAL INVESTMENTS

The Group spent US$2.2 million▲ on social investment projects during the year compared to US$1.9 million in the previous period. The social development projects undertaken include facilities for sports, education, health, livestock, local enterprise development and income generating projects.

Local procurement decreased from 75% in FY2016 to 73% in FY2017. The Group remains committed to contributing towards the resuscitation of the Zimbabwean economy and the development of local enterprises.

FINANCIAL RESULTS

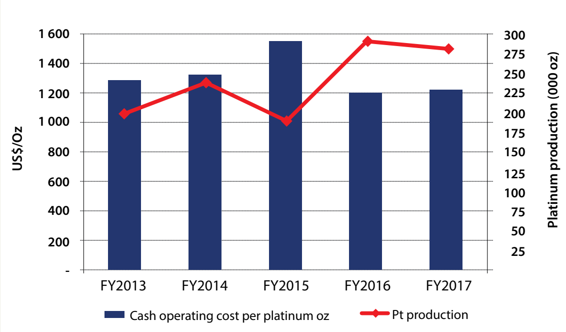
Revenue for the year increased by 9% from US$471.8 million in FY2016 to US$512.5 million despite a 5% decrease in 4E sales volumes from 582 833 ounces to 555 892 ounces. Revenue was supported by an increase in average metal prices as gross revenue per platinum ounce improved from US$1 638 to US$1 868.

Cost of sales decreased by 6% from US$390.7 million in FY2016 to US$367.1 million largely due to the 5% decrease in sales volumes.

Gross profit margins improved from 17% in FY2016 to 28% in the current year mainly due to the improvement in average metal prices.

Operating cash cost per platinum ounce increased by 2% from US$1 197 in FY2016 to US$1 225 in FY2017 due to a 3% decline in platinum production (including sales in concentrate form) and an increase in prices of consumables.

Cash operating cost per platinum ounce



▲*This item was the subject of the limited assurance engagement performed by EY.*

Chief Executive Officer's Report (continued)

As reported previously, in May 2016, the RBZ introduced an export incentive scheme to promote the export of goods and services to enhance inflows of foreign currency. The Group was awarded a 2.5% export incentive (amounting to US$14 million) on the export proceeds received in Zimbabwe during the year (FY2016: US$1.1 million).

The Government of Zimbabwe issued to the Company's operating subsidiary, treasury bills with a total nominal value of US$34 million in settlement of the principal amount owed by the RBZ. The treasury bills were disposed during the year for a consideration of US$20.8 million. The amount owed by RBZ had been written off in full in prior years.

As a result of these factors, profit before income tax for the year increased from US$29.4 million in FY2016 to US$101.3 million.

Income tax expense for the year increased from US$22 million in FY2016 to US$55.8 million in line with improved profitability.

Net cash generated from operating activities increased from US$36 million in FY2016 to US$56.1 million. At year-end, the Group had bank borrowings amounting to US$109 million (2016: US$109 million) and a cash balance of US$70.3 million (2016: US$55.7 million).

APPRECIATION

I would like to thank all Team Zimplats and my management colleagues for a sterling performance in the year. I also extend my sincere gratitude to our suppliers and contractors for their commitment and valued contribution during the year. Together we make Zimplats great!

Last but not least, I would like to acknowledge the board and express my great indebtedness for their valuable guidance and support.

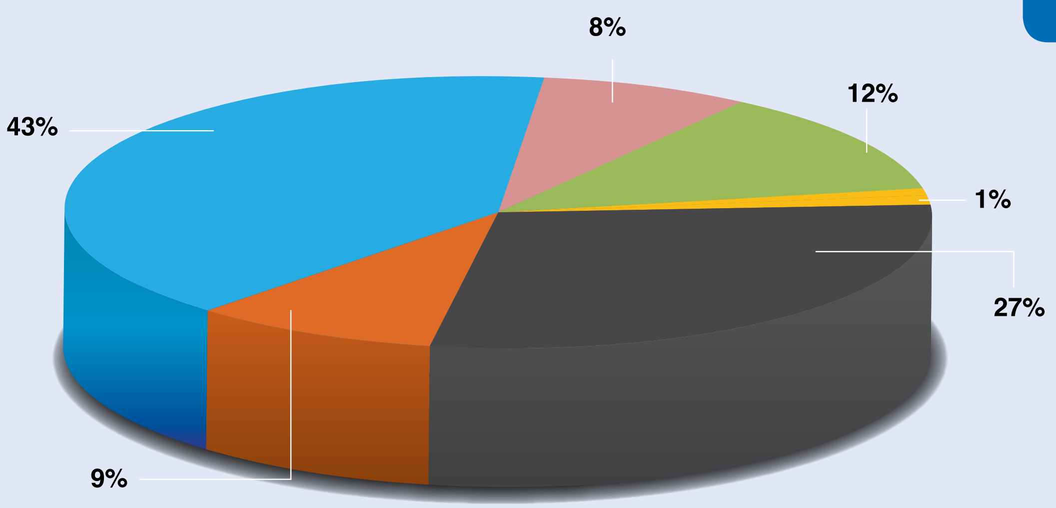
I thank you all!

Alex Mhembere
Chief Executive Officer
8 September 2017

Cash Utilisation – FY2002 to FY2017

Zimbabwe Platinum Mines (Private) Limited

Total US$5.3 billion



US$2 250 million	43%	Procurement costs
US$1 445 million	27%	Capital expenditure to expand and maintain operations
US$661 million	12%	Payments to Government (income tax, additional profit tax, royalty, customs duties, pay as you earn and withholding tax)
US$494 million	9%	Employment costs
US$410 million	8%	Loan principal and interest payments
US$67 million	1%	Dividends paid to Zimplats Holdings Limited

Five Year Review

SUMMARISED FINANCIAL RESULTS

	FY2017 US$ 000	FY2016 US$ 000	FY2015 US$ 000	FY2014 US$ 000	FY2013 US$ 000
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Revenue	**512 549**	**471 778**	**408 391**	**575 978**	**471 647**
Platinum	239 390	247 197	201 957	306 693	263 234
Palladium	161 232	122 153	108 699	137 760	96 890
Gold	32 251	33 237	23 400	31 393	30 387
Rhodium	20 346	14 677	16 782	20 075	15 136
Nickel	38 708	37 607	42 880	59 220	46 579
Other metals	20 622	16 907	14 673	20 837	19 421
Cost of sales	**(367 065)**	**(390 650)**	**(315 727)**	**(332 272)**	**(248 121)**
Mining	(153 385)	(148 451)	(130 384)	(123 594)	(96 314)
Processing	(81 527)	(82 750)	(81 890)	(86 405)	(58 036)
Depreciation	(74 643)	(73 283)	(69 086)	(59 557)	(46 830)
Employee benefit expenses	(63 015)	(59 172)	(60 621)	(56 737)	(47 403)
Stock movement	5 505	(26 994)	26 254	(5 979)	462
Gross profit	**145 484**	**81 128**	**92 664**	**243 706**	**223 526**
Other expenses	(8 967)	(1 135)	(9 644)	(8 177)	(3 708)
Operating costs	(51 045)	(47 172)	(54 245)	(88 152)	(93 841)
Exceptional items	21 359	3 725	29 539	(18 887)	(15 394)
Net finance (costs)/income	(7 997)	(7 192)	(2 176)	177	(1 497)
Profit before income tax	**101 313**	**29 354**	**56 138**	**128 667**	**109 086**
Income tax expense	(55 775)	(22 027)	(130 467)	(31 534)	(40 832)
Profit/(loss) for the period	**45 538**	**7 327**	**(74 329)**	**97 133**	**68 254**
Attributable to minority interests	-	-	-	-	-
Net profit/(loss) to shareholders	**45 538**	**7 327**	**(74 329)**	**97 133**	**68 254**
GROUP STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	**1 019 104**	**1 026 286**	**1 029 047**	**1 052 405**	**1 016 726**
Property, plant and equipment	996 339	1 003 925	1 007 760	1 023 134	975 685
Mining interests	20 308	20 308	21 287	22 445	22 445
Financial assets and other receivables	2 457	2 053	-	6 826	20 596
Current assets	384 643	295 231	316 916	323 758	232 852
Total assets	**1 403 747**	**1 321 517**	**1 345 963**	**1 376 163**	**1 249 578**
EQUITY AND LIABILITIES					
Capital and reserves	992 659	947 121	952 797	1 027 126	929 993
Minority interests	-	-	-	-	-
Non-current liabilities	**259 810**	**249 087**	**205 383**	**213 231**	**226 598**
Deferred income tax liabilities	145 183	140 549	135 122	121 846	104 875
Borrowings	85 000	85 000	50 000	75 000	105 000
Environmental rehabilitation provision	27 832	21 668	19 423	13 661	15 575
Share based compensation	1 795	1 870	838	2 724	1 148
Current liabilities	151 278	125 309	187 783	135 806	92 987
Total equity and liabilities	**1 403 747**	**1 321 517**	**1 345 963**	**1 376 163**	**1 249 578**

Five Year Review (continued)

STATISTICS REVIEW	FY2017	FY2016	FY2015	FY2014	FY2013
Operating statistics					
Ore mined (tonnes)	**7 017 169**	**6 579 685**	**5 234 507**	**5 624 872**	**4 794 657**
Ngwarati Mine	1 479 858	1 712 920	1 560 369	1 408 550	1 284 278
Rukodzi Mine	1 660 419	1 838 432	1 619 035	1 381 449	1 317 305
Mupfuti Mine	1 972 767	1 712 848	1 599 693	963 229	229 775
Bimha Mine	916 416	442 292	349 717	1 871 644	1 963 299
South Pit Mine	987 708	873 194	105 693	-	-
Ore head grade (g/t)	3.24	3.23	3.24	3.26	3.32
Ore milled (tonnes)	**6 715 963**	**6 406 187**	**5 163 499**	**5 939 277**	**4 683 136**
SMC concentrator	2 343 347	2 236 893	1 936 967	2 096 146	2 225 066
Ngezi concentrator	4 372 616	4 169 294	3 226 532	3 843 131	2 458 070
4E oz in matte produced	**568 634**	**583 171**	**383 962**	**486 865**	**394 814**
Platinum	281 069	290 410	190 027	239 660	198 104
Palladium	232 914	236 375	154 846	197 623	157 076
Gold	29 211	30 578	21 692	27 250	22 637
Rhodium	25 440	25 808	17 397	22 333	16 997
4E oz in matte and concentrate sold	**555 892**	**582 833**	**381 849**	**477 905**	**388 850**
Platinum	274 364	288 063	188 760	234 396	193 901
Palladium	227 886	238 008	154 403	195 049	155 603
Gold	28 998	30 715	21 621	26 827	22 340
Rhodium	24 644	26 047	17 065	21 633	17 006
Financial ratios					
Gross margin	28.9%	17.2%	22.7%	42.3%	47.4%
Return on equity	4.6%	0.8%	(7.8%)	9.5%	7.3%
Return on assets	3.2%	0.6%	(5.5%)	7.1%	5.5%
Current ratio	2.5	2.4	1.7	2.4	2.5
Operational indicators					
Capital expenditure (US$ 000)	63 325	68 071	84 526	110 214	156 686
Gross revenue per 4E oz (US$)	922	809	1 070	1 205	1 213
Cash operating cost per 4E oz (US$)	605	596	767	650	646
Cash operating cost per platinum oz (US$)	1 225	1 197	1 551	1 319	1 287
Net cash cost per platinum oz (US$)	229	417	457	170	212
Non-financial indicators					
Permanent employees	3 053	3 041	3 214	3 268	2 929
Local spend % of total spend	73%	75%	71%	66%	64%
Lost-time injury frequency rate	0.21▲	0.58	0.88	0.75	1.10
Total injury frequency rate	0.41▲	1.01	1.33	1.37	2.20
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	53.0	16.0	2.5	1.5	4.0

▲*This item was the subject of the limited assurance engagement performed by EY.*

Achievements FY2017

OBJECTIVE	STATUS
Improve safety performance through the implementation of identified interventions and remain fatality free. Achieve target LTIFR of 0.48	• There were no fatalities reported during the year (6.84 million fatality free shifts achieved by end of the financial year) • 365 LTI free days for the whole Group achieved on 9 April 2017 • Three lost-time injuries recorded, down from eight in FY2016 • LTIFR improved from 0.58 in FY2016 to 0.21▲ in FY2017 • TIFR improved from 1.01 in FY2016 to a record 0.41▲ in FY2017
Achieve planned FY2017 production volumes and efficiencies	• Record mining and milling volumes were achieved • Tonnes mined and milled were 8% and 5% above plan respectively • 4E head grade was 1% below plan • Concentrator recovery rates were marginally below plan • Platinum production was 7% above target
Achieve planned FY2017 cost performance	Cash operating cost per platinum ounce at US$1 225 was 2% better than target
Cash preservation	• Operating cash cost per platinum ounce was 2% below plan • Capital expenditure was 48% below plan • Cash net of debt was 48% above target
Contain the effects of shear induced ground instability at all the underground mines	• Bimha Mine redevelopment on schedule to reach design production capacity in April 2018 • Ground movement is being monitored at all underground mines • Stable ground conditions prevailed throughout the year • 100% compliance with the set pillar width to height ratio at all mines
Commence Mupani Mine development (replacement mine for Ngwarati and Rukodzi Mines)	• Bankable feasibility study was completed and approved by the board during the year • Boxcut mining commenced and was completed during the year • Decline development commenced during the year and is on schedule • A total of US$11 million has been spent on the project
Commence construction of a new 15MW rectangular furnace to manage the risks associated with operating the existing circular furnace at full capacity	• Project implementation delayed due to cash constraints associated with the current soft metal prices • In the interim, the existing furnace will be relined with improvements in FY2019 to mitigate against the identified risks
Facilitate construction of employee houses under the employee home ownership scheme	No progress has been made on the home ownership scheme for the employees based at SMC due to cash constraints
Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions	Purchases from local suppliers in FY2017 accounted for 72% (2016: 75%) of the Group's annual expenditure on goods and services, excluding government institutions
Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems	Certification retained
Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests	• Tax compliance audits were carried out by external tax experts in the year and no major compliance issues were raised • The Group continues to engage the tax authorities on legacy tax matters
Complete capital expenditure projects within approved budgets	All capital projects expenditure was within the approved budgets

▲This item was the subject of the limited assurance engagement performed by EY.

Objectives FY2018

- Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.38
- Achieve planned FY2018 production volumes and efficiencies
- Achieve planned FY2018 cost performance
- Cash preservation
- Achieve design capacity production at Bimha Mine by April 2018
- Develop Mupani Mine as planned
- Facilitate construction of employee houses under the employee home ownership scheme
- Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions
- Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 systems
- Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests
- Complete capital expenditure projects within approved budgets

Market Review

Note: Periods referred to in this section are calendar years, unless stated otherwise.

A more favourable outlook for the global economy in 2017

According to the International Monetary Fund (IMF), in 2016 the global economy experienced the weakest growth since 2008, at 3.2%. This was due to a challenging first half marked by turmoil in global financial markets. The IMF raised its projection for 2017 global growth to 3.5%, up from their January forecast of 3.4%, largely as a result of a resilient China, rising commodity prices and sturdy financial markets that are offering a brighter outlook for the global economy.

The IMF does warn of risks to its optimistic forecast, which include the threat of deepening geopolitical tensions, the possibility of rising United States of America (US) interest rates which will squeeze economic growth and the threat that protectionist measures may damage global trade.

The overall demand for PGMs from major sectors remained stable during 2016 and, thanks to the favourable outlook, continued to hold its ground during the first half of 2017. Demand for platinum came from the combination of rising vehicle sales and loadings in Western Europe and increased industrial requirements in both North America and China. Palladium demand remained healthy on the back of increasing vehicle sales in China and the US. The rhodium price performance was due to limited availability (from mines and secondary suppliers) and increased demand from automotive and chemical industries.

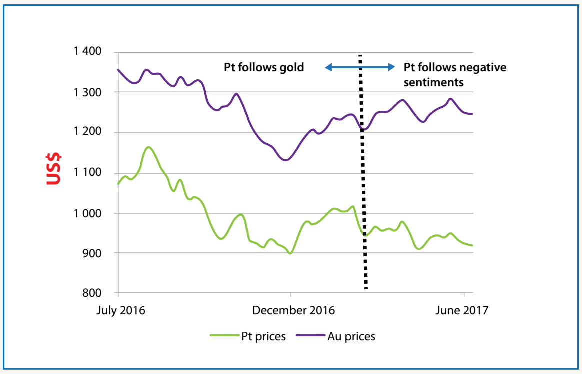
Secondary PGM supply was low for most of 2016, however, it recovered in the last few months of 2016 on the back of higher steel, palladium and rhodium prices. In the case of platinum, secondary supply saw an unusual hike as a consequence of the Chinese stocks being recycled as retailers returned pieces to manufacturers, looking for new designs and more gem-set.

Even though there has been some dollar price increase in PGMs over the reporting period, the rand strength dropped the rand basket revenue, further challenging a supply environment under continued risk due to lack of capital investment. Together with challenges related to safety incidents as well as increasing production costs, the low rand basket prices continue to place shafts at closure risk.

Market performance

The platinum and palladium markets remained in fundamental deficit in 2016, while the rhodium market was in small surplus.

Even though the platinum price closed FY2017 11% lower at US$922 per ounce, compared to the start of the financial year (US$1 033 per ounce), the average price for the year was 4% higher at US$988 per ounce, compared to the previous financial year.



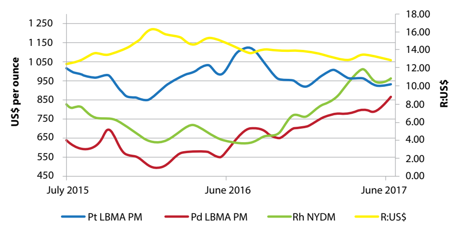
Source: Impala Platinum Holdings Limited

Market Review (continued)

Platinum price movements during FY2017 continued to show a disconnect to its fundamentals, which made platinum pricing susceptible to investor sentiment around global risk. Additionally, anti-diesel sentiment in Europe/India and the fall in Chinese jewellery continue to weigh on platinum prices.

In contrast, palladium prices closed FY2017 42% higher, at US$841 per ounce, compared to the start of the financial year (US$593 per ounce). Palladium prices reached a high of US$900 per ounce during June 2017 while the average price for the year was US$737 per ounce 27% higher than the previous comparable period. Support for palladium was driven by robust demand from autocatalyst fabricators, positive sentiments towards the automobile sector and expectations of further palladium price gains.

Rhodium was a star performer in the PGM complex, with the largest rally during the financial year. Rhodium prices closed the financial year 60% higher at US$1 018 per ounce after opening the financial year at US$638 per ounce. The average price for the year, at US$803 per ounce, was 13% above the comparable period. This was on the back of the absence of liquidity and the increasing demand from both the automotive and industrial sectors.



Automotive

2016 was another positive year for the automotive industry, with global light duty vehicle sales estimated to have reached 93 million units on the back of continued growth in the US, Western Europe and China, offsetting reduced sales in Japan, Eastern Europe and Latin America, relative to the previous year.

Platinum demand continued to benefit from both increased light and heavy duty diesel vehicle sales, and higher vehicle loadings globally. For 2016, platinum usage amounted to 3.3 million ounces. Similar to platinum, palladium requirements benefited from increased loadings and vehicle sales and usage reached 7.8 million ounces. Rhodium usage in autocatalysts amounted to 0.825 million ounces during 2016, with most of the additional requirements seen during the last quarter.

In the first half of 2017, automotive sales in major markets have been mixed. After a record 2016, sales in the US were expected to decline by more than 2% in 2017, reaching 17.1 million units. In line with this forecast, US sales in the first half of 2017 were down by 2.3% at 8.4 million units. However, US consumers continued to favour heavily PGM-loaded pickup trucks, sport utility vehicles and crossovers.

In contrast, Chinese light duty vehicle sales were resilient in the first half of 2017, up 3.8% after recording a 14.9% year-on-year growth in 2016. This figure was impacted by the increased tax incentive for small-engine cars (from 5% in 2016 to 7.5% in January 2017). Full year sales are still estimated to increase by 5%.

After three years of declining sales in Japan, the recovery seen during the last two months of 2016 has continued in 2017. Japanese new car sales surged in the first half of 2017, increasing by 9.2% year-on-year to 2.8 million units. Full year sales are expected to reflect the first increase in three years.

Western Europe saw a decline in the light duty diesel market in 2016. However, a combination of growing vehicle sales and higher loadings saw platinum demand actually increase in this sector by close to 100 koz for the year. This growth has continued in the first half of 2017 as sales increased by 3.7% to 7.8 million units. Increased anti-diesel sentiment in this market continues to pose a significant threat to platinum demand, however, consumers are not switching from diesel to battery or hybrid vehicles but to gasoline. This is compounding the carbon dioxide (CO_2) compliance issues for manufacturers, as gasoline engines emit around 20% higher CO_2.

Infrastructure and, more importantly, consumer acceptance does not seem to be moving fast enough for penetration in the electric vehicle market to meet fleet compliance to CO_2 emissions regulations by 2020. This may yet provide the

Source: Impala Platinum Holdings Limited

Market Review (continued)

opportunity for manufacturers to promote available “clean” diesel vehicles, and initiatives such as the German Ministry of Transport’s ‘National Diesel Forum’ provide platforms to do this.

Increasing vehicle sales in other regions are expected to offset the decline in the US market, with estimated global light duty vehicle sales in 2017 forecast to reach a new record of more than 94 million units.

Light-duty vehicle sales		
		Forecast
Units: millions	2016	2017
North America	17.5	17.1
Western Europe	13.9	14.2
China	24.4	25.6
Japan	5.0	5.0
Rest of the world	32.4	32.3
	93.2	94.2

Source: Reuters, CAAM, Nikkei, LMC

Jewellery

Although the 2016 Platinum Guild International (PGI) retail barometer showed that Chinese demand declined by 8.3% for the year on the back of changing consumer preferences, the Chinese market remained the major consumer of platinum jewellery in 2016 consuming 1.83 million ounces. In the past, jewellery purchases were mainly value-driven, however today, distinctive design, branding and emotional relevance are as important, with jewellery competing with other discretionary items, such as the latest smartphones, and experiential spending such as travel.

The Chinese decline was partially offset by growth in other regions. Even though India had a challenging 2016, as a result of floods, changes in legislation, a jewellery retailers’ strike and demonetisation, the platinum jewellery market remained resilient and grew by 11.4% on the back of successful campaigns by the PGI. In the US, manufacturers and retailers alike attributed the 5.4% growth in their platinum business in 2016 to favourable pricing (relative to gold), an appealing sales story to the trade. Japanese growth of 2% was driven by Japanese society preference for platinum and high disposable income, making non-bridal jewellery the biggest demand driver. The combination of these factors meant global platinum jewellery demand declined by only 117koz, reaching 2.9 million ounces in 2016.

For the first half of 2017, Chinese retail sales decreased but at a slower rate than 2016. The Indian market has bounced back and all of PGI’s retail partners report strong growth in the first half of 2017 when compared to 2016. The US and Japanese markets are recording similar growth to 2016.

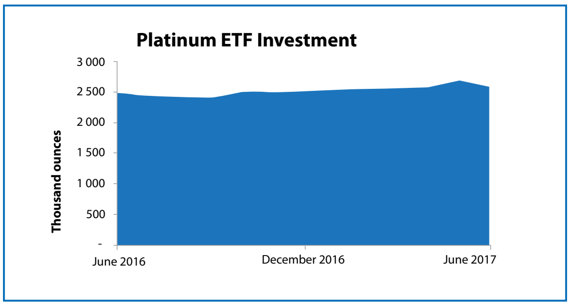
Industrial

The low prices of palladium, and more so, platinum and rhodium generated some additional industrial interest in these metals in 2016. In the case of platinum, the main drivers for this growth were an increase in capacity expansions for paraxylene production and steady growth within the silicone industry, offsetting a global contraction in nitric acid production. Demand for platinum in the petroleum industry saw moderate gains in the first half of 2016, largely driven by growth in new plants and plant expansions in North America. Meanwhile, China continued with previously planned projects in the chemicals and glass sectors.

For the first half of 2017, demand for platinum and rhodium in the industrial sector saw moderate gains driven by the chemical and glass sectors. Palladium demand during the first half of the year declined slightly compared to the first half of 2016 as a result of higher prices.

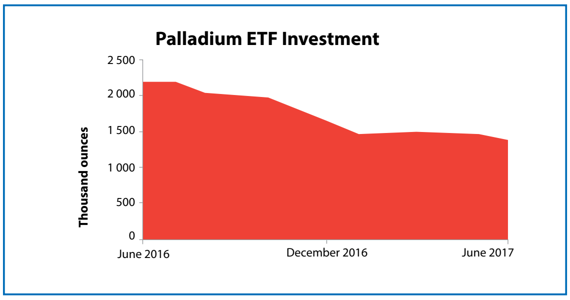
Investment

After a decline of 9koz in 2016, the global platinum exchange traded fund (ETF) holdings increased by 87koz to 2.62 million ounces during the first half of 2017. In contrast, palladium ETF holdings continued their decline, decreasing by 276koz in the first half of 2017, following a decline of 640koz in 2016. Palladium liquidations were driven by profit-taking on the back of higher palladium prices.



Source: Impala Platinum Holdings Limited

Market Review (continued)



Source: Hong Kong Shanghai Banking Corporation

Unlike the last two years' higher platinum investment inflows in Japan, the first half of 2017 has seen some profit-taking by the Japanese market, with the net purchases amounting to only 68koz.

The World Platinum Investment Council (WPIC) market development programmes have continued with the launch of two significant new initiatives in the first quarter of 2017. In March, the WPIC announced the addition of platinum to the Bullion Vault online precious metals platform. The partnership means 65 000 private investors using this marketplace now have access to platinum. Also, the WPIC supported the launch of India's first non-jewellery platinum product with partner, Muthoot Exim. The launch of the Anantavarsham Platinum Series of deities is the first of a number of initiatives planned for India, a market that has enjoyed significant growth in the last two years. At this stage, the WPIC is ahead of its forecast of additional demand generated, with more than 60koz bought.

Platinum net long positions on New York Mercantile Exchange (NYMEX) (-683koz) and Tokyo Commodity Exchange (TOCOM) (+166koz) declined by an average 517koz in the first half of 2017, closing at 1.23 million ounces. The net change in NYMEX positioning was driven by a 934koz increase in gross shorts, partially offset by 251koz increase in long positions. The increase in shorts is largely as a result of the lack of confidence in diesel automotive demand, increasing discussions on battery electric vehicles and declining Chinese jewellery demand.

Source: Impala Platinum Holdings Limited

Changes in palladium positioning on NYMEX were largely positive during the first half of 2017. A 582koz increase in longs outweighed the 281koz increase in shorts, resulting in a 301koz increase in net length, highlighting a positive outlook by investors on palladium fundamentals.

2017 Outlook

The gradual recovery of the global economy, with the anticipated revival in industrial production and consumer demand, is expected to be the biggest driver of increased PGM demand in the medium to long term. In our view, both the platinum and palladium markets will remain in a fundamental deficit in 2017, whilst rhodium is expected to remain in a small surplus.

We expect a slight decline in the use of platinum in the automotive industry in 2017, in favour of palladium and driven by an increasing share of gasoline vehicle sales. However, with increasing palladium prices, we expect that research into the back substitution of platinum in three-way catalysts will result in increased usage of platinum in gasoline engines in the coming years.

Market Review (continued)

Platinum supply and demand outlook

	SFA/WPIC		Impala	
'000 TOZ	**2016**	**2017 (Forecast)**	**2016**	**2017 (Forecast)**
Demand				
Automotive	3 435	3 405	3 300	3 295
Jewellery	2 565	2 530	2 905*	2 865*
Industrial	1 775	1 610	1 970	2 035
Investment	505	250	420	150
Total demand	**8 280**	**7 795**	**8 595**	**8 345**
Supply				
Primary supply	6 055	5 970	5 630	5 830
Recycling	1 865	1 760	2 225	2 035
Total supply	**7 920**	**7 730**	**7 855**	**7 865**
Movement in stocks	**(360)**	**(65)**	**(740)**	**(480)**

** PGI retail barometer estimates used for platinum jewellery demand*

Palladium supply and demand outlook

	SFA/WPIC		Impala	
'000 TOZ	**2016**	**2017 (Forecast)**	**2016**	**2017 (Forecast)**
Demand				
Automotive	8 000	8 110	7 775	7 905
Industrial	2 050	1 930	1 940	1 930
Investment	(640)	-	(640)	(275)
Jewellery	240	215	100	100
Total demand	**9 650**	**10 255**	**9 175**	**9 660**
Supply				
Primary supply	6 800	6 930	6 180	6 525
Recycling	2 225	2 230	2 545	2 735
Total supply	**9 025**	**9 160**	**8 725**	**9 260**
Movement in stocks	**(625)**	**(1 095)**	**(450)**	**(400)**

Rhodium supply and demand outlook

	SFA/WPIC		Impala	
'000 TOZ	**2016**	**2017 (Forecast)**	**2016**	**2017 (Forecast)**
Demand				
Automotive	835	830	825	840
Industrial	185	165	155	160
Investment	5	-	-	-
Total demand	**1 025**	**995**	**980**	**1 000**
Supply				
Primary supply	765	735	770	795
Recycling	285	295	290	320
Total supply	**1 050**	**1 030**	**1 060**	**1 115**
Movement in stocks	**25**	**35**	**80**	**115**

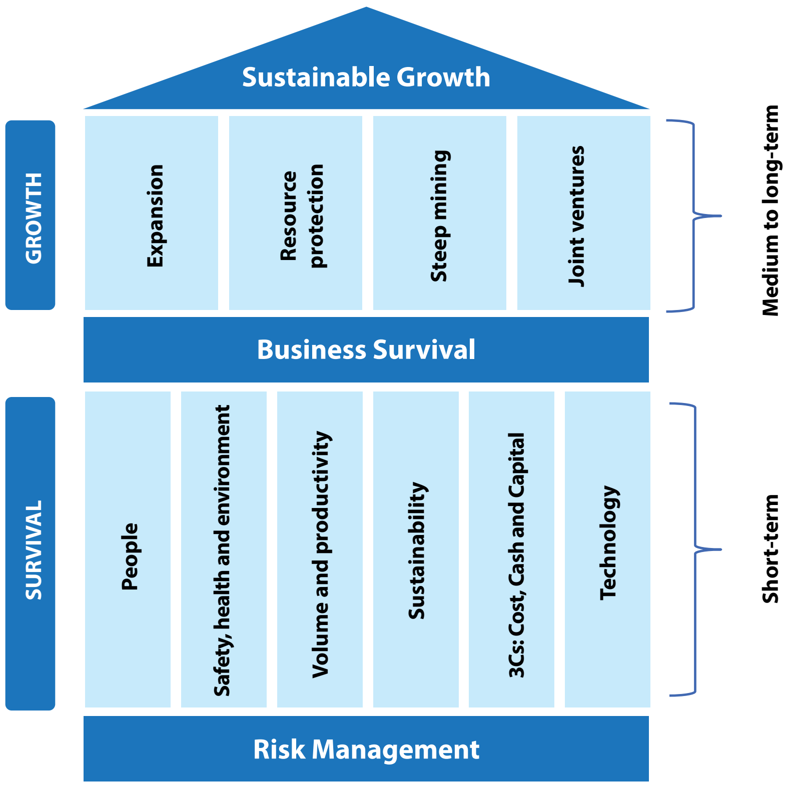
Sustainability Matters

Management approach

Zimplats' sustainability programme is premised on three strategic pillars, that is, economic, social and the environment. Success in these key areas ensures sustainable symbiotic relationships between the organisation and its broad communities including ecosystems.

This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) guidelines as detailed in the GRI index provided on pages 169 to 173. Zimplats has applied the GRI G4 'Core' level guidelines in the preparation of the sustainability report. EY has undertaken a limited assurance engagement for selected key performance indicators presented in this integrated annual report, and for Zimplats' assertion that the report is prepared in accordance with the core-level GRI G4 Guidelines, as indicated by the symbol (▲) throughout the report. The independent assurance report is on pages 174 to 177.

Our strategy



Sustainability Matters (continued)

Sustainability performance data

The data in this report is based on the Group's records, and is prioritised on the basis of the risk register and key outcomes of stakeholder engagement.

OUR STRATEGY

Our business is pursuing a survival strategy premised on sound enterprise risk management and anchored by safe production, cost containment, cash preservation and capital expenditure optimisation. While the short-term business objective is geared towards survival, the business is cognisant of the need to maintain organisational fitness in order to take advantage of growth opportunities as they arise and/or metal prices recover.

The following operational objectives were identified:

Short-term (18 months)

- Drive safety strategies to migrate from dependent to independent stage on the Bradley Curve.
- Progress the Good to Great people program
- Continue with cash preservation initiatives
- Implement strategies for improving productivity
- Progress Bimha Mine redevelopment
- Progress Mupani Mine development
- Progress cost management initiatives
- Continue with technology deployment particularly to manage safety and improve productivity
- Manage shear induced ground instability
- Attend to the indigenisation and compliance matters
- Address historical and future taxation risks
- Manage loss of ground risks
- Manage power supply risks
- Enhance our relationship with all key stakeholders
- Maintain social license to operate - nurture partnerships with communities around our operations

Medium to long-term

- Intensify application of proven new technologies and methods to manage safety and improve productivity
- Prepare for growth: Phase 3 and beyond
- Investigate methods for steep mining
- Investigate joint ventures (JVs) and strategic partnerships to grow the business
- Expand smelting capacity based on success of BMR
- Stakeholder management: Enhance our relationship with all key stakeholders
- Sustainability management: Balanced approach to managing socio-economic and environmental risks
- Social license to operate: Implement local enterprise development (LED) and corporate social investment (CSI) projects

The Group has a risk information management system, Cura, which is used for strategy implementation, monitoring and reviews. This system is also used to track progress on achieving targets.

OUR APPROACH TO RISK MANAGEMENT

We regularly review our established enterprise risk management framework to address strategic, operational, legal and compliance risks in order to ensure that it remains relevant to the nature and scope of risks faced by our organisation. Risk management, supported by a robust system of internal control helps us to achieve operational effectiveness.

Sustainability Matters (continued)

How we manage risks

Our risk management framework follows a structured process aligned to the ISO 31000 Standard. This framework covers three key areas:

- Principles
- Framework
- Process

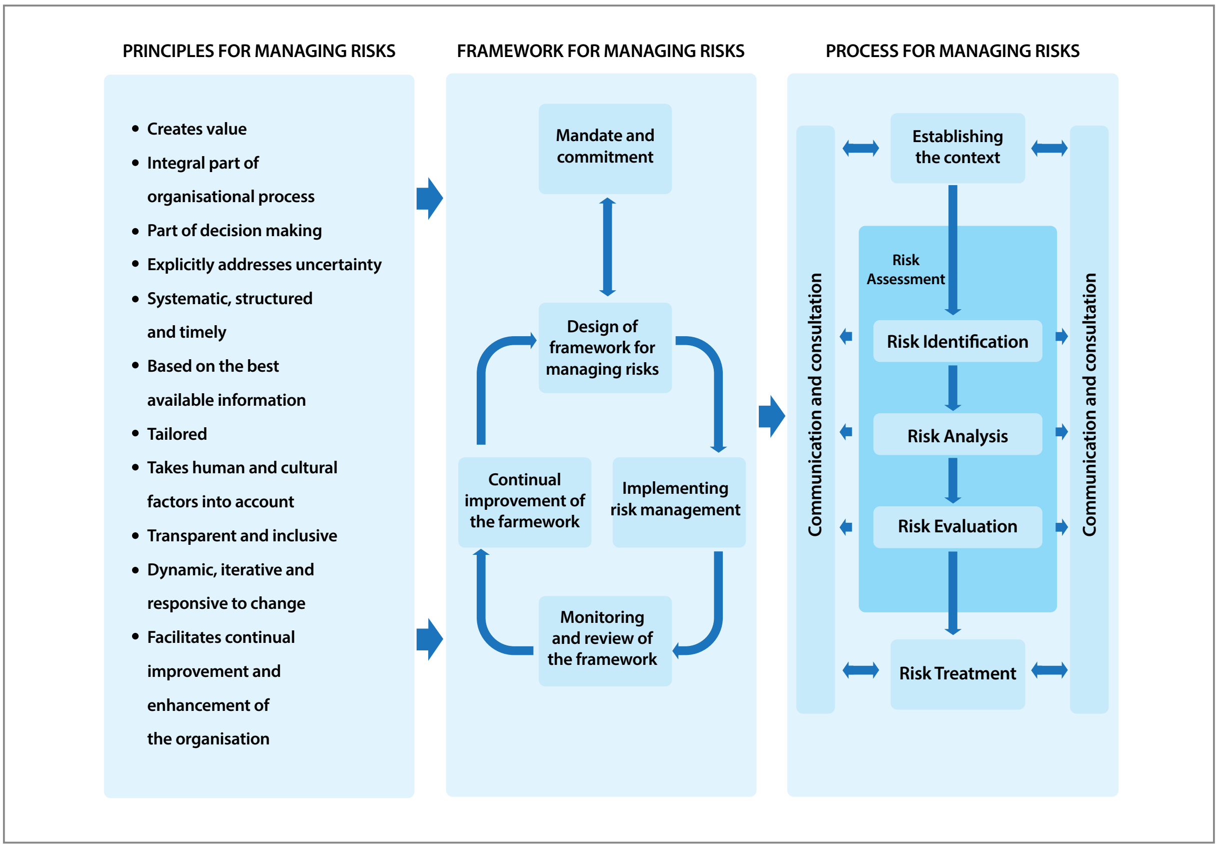


Fig 1: ISO 31000 Principles, framework and process for managing risks

Effective risk management underpins the delivery of our strategic objectives and the framework that we have developed for managing risks assists us to identify key risks at an early stage and develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level.

Our risk reporting system

We have adopted the IsoMetrix risk information management system for capturing, analysing and reporting all operational and safety, health and environment (SHE) related risks. IsoMetrix acts as a database for all SHE baseline risk assessments, and also enables us to record all SHE incidents and track implementation and effectiveness of action plans to manage the risks.

Sustainability Matters (continued)

Various risk reports, dashboards and risk management protocols are extracted from the system for reporting to the directors. The directors have analysed all the risk reports submitted from various sources and concluded that the Group has maintained sound risk management and internal control systems throughout the year and has reviewed its adequacy and effectiveness appropriately.

Our key strategic risks

Depressed PGM metal prices remain the top risk faced by the Group. This and other key strategic risks faced by the Group are detailed below:

Principal risk	Risk description	Impact	Mitigation / control measures
Metal price	Metal price fluctuations below the break-even point	Loss of revenue and threat to survival	• Market intelligence (monitoring the global market) • Cost control to mitigate the effect of low prices • Cash preservation initiatives
Taxation	Penalties and other financial loss due to failure to comply with taxation regulations	Increased tax cost and reputational damage due to failure to manage tax risks	• Regularly conducting tax compliance health checks covering all tax heads • Monitoring legislative changes • Regular tax training and awareness • Continual engagement with authorities to resolve legacy tax matters
Power	Unavailability of reliable and secure power	Loss of production	• Power supply securitisation arrangements • Investigating alternative sources of power from local and regional sources • Exploring opportunities for sustainable sources of power (solar) • Progress demand side management projects
Cash preservation	Failure to preserve cash resulting in inability to fund operations	Failure to meet growth and operational funding requirements	• Cash preservation initiatives: - Capital rationalisation - Deferring some stay-in-business capital in line with available cash resources - Re-negotiation of major supply contracts • Exploring alternative sources of funding • Strengthening treasury management practices
Indigenisation	Uncertainties regarding government policy on indigenisation	Failure to plan ahead in an uncertain environment	• Continue to engage government on the IIP • Implementing agreed aspects of indigenisation (ESOT now in place) • Progressing LED programmes to enhance local procurement • Regular monitoring of changes to government policy
Tailings storage facility	Catastrophic failure of tailings storage facility resulting in uncontrolled flooding on the zone of influence of the dam	Injury to personnel, damage to property, negative environmental and social impact	• Operation and maintenance of tailings storage facility according to good practice • Access control system • Emergency preparedness plan • Regular training and awareness • Third party audits of the condition of tailings dams • Stakeholder consultation • Collaboration with authorities to relocate communities on the zone of influence of the tailings storage facility
Smelter furnace	Disruption of operations due to unplanned significant outages from furnace taphole blow-outs, explosions and run-outs	Injury to personnel, loss of production and damage to property and environment	• Existing furnace reline and upgrade • Regular on-line monitoring of operational parameters of the furnace • Rectangular furnace when cash flows permit

Sustainability Matters (continued)

Principal risk	Risk description	Impact	Mitigation / control measures
Beneficiation and industrial linkages	Failure to progress beneficiation of PGMs	Reputational risk or loss of value	• Refurbishment and commissioning of the old BMR at SMC • Continual engagement with the Government of Zimbabwe regarding beneficiation • Monitoring developments on new technologies and adopt as deemed appropriate • Development of LEDs
Costs	Unsustainable cost increases	Reduced profitability and threat to survival	• Implementing cost saving strategies • Capacitating local producers to reduce import costs
Ground instability	Shear-induced ground instability at mining	• Loss of production • Safety risks	• On-line ground monitoring system • Mining practices enhancement • Mining profile monitoring • New pillar design • Third party audits and reviews • Geotechnical control measures • Risk training and awareness • Emergency preparedness and response plan
Safety, health and environment	Business sustainability	• Injury to personnel and damage to property leading to failure to achieve the 'zero harm' goal • Negative effects on employee health • Damage to environment	• Safety improvement programmes • Community safety initiatives • Deploying technology in high risk areas • Robust SHE management systems • Employee wellness programmes: (HIV/AIDS), tuberculosis, mental health and NCDs • Environmental management systems
Production and quality	Failure to consistently deliver production targets and quality	Failure to meet target production and grade	• Bimha Mine re-development • Grade control audits • Mupani Mine development • Trackless mining machinery maintenance and replacement programme
Social license to operate	Business sustainability	Business interruption and loss of production	• Continue to implement CSI programmes • Regular engagement with all stakeholders on community development issues • Implementing LED programmes
Information, communication and technology (ICT)	Business disruption	Exposure to information security risks (confidentiality, availability and integrity) of company information	• ICT strategy • ICT disaster recovery plans • ICT security policies • Identification and management of cyber-risks
Resource protection	Loss of ground	• Reduced mineral reserves • Failure to attain growth profile	• Progress mining development plan • Exploration activities • Investigate opportunities for JVs
Effective people	• Inability to attract and retain effective people • Strained industrial relations	• Loss of skills • Operational disruptions due to strained industrial relations	• Employee engagement surveys • Employee welfare and provision of decent accommodation • Engagement through works council meetings • Reward management system • Succession planning
Legal compliance	Failure to comply with legal and other requirements	Loss of regulatory license to operate and financial loss from penalties	• Legal and other compliance registers • Monitoring changes in legislation • Legal compliance audits

Our operational risk management

During FY2017, the International Mining Industry Underwriters (IMIU) conducted an operational risk assessment at both the mining and processing operations. The outcome of the assessment demonstrated that operational risks at all operations are being managed to acceptable international standards resulting in Zimplats retaining a high percentage risk reduction adopted rating (%RRA).

Sustainability Matters (continued)

Fire risk has remained a top operational and safety risk, particularly underground where it is difficult to fight a fire should it occur. As a result, Zimplats has replaced all underground conveyor belts with F-Type belts which have fire retardant characteristics.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Management approach

The Group acknowledges the importance of its key stakeholders and the impact that they may have on the business or conversely the impact that the Group may have on the stakeholders. To this end, stakeholder engagement is an integral part of the business operations.

Key stakeholders

Zimplats' internal stakeholders are employees, management and shareholders while external stakeholders include communities, regulatory authorities, suppliers, local authorities, government, media, financial institutions, analysts and lobby groups. Identification of stakeholders is achieved through a process of assessing how they impact on the Group both directly and indirectly. Consideration is also given as to whether the Group impacts on them directly or indirectly. Prioritisation of stakeholders is done following the Group's strategic objectives and risk register.

To identify its material issues Zimplats uses a wide range of criteria, processes and stakeholder engagements. Stakeholder engagement allows the Group to understand and respond to stakeholder expectations. All material issues identified during engagement are captured and action plans are developed to address the concerns.

The table below summarises some of the key stakeholders identified using the stakeholder prioritisation method and the material issues that came out of the engagement process and the action taken.

Sustainability Matters (continued)

Summary of Stakeholder Material Issues

Stakeholder	Material Issue	Zimplats response
Government	**Indigenisation** In April 2016 a Presidential Statement was issued giving clarity to the framework for compliance by existing mining companies	• Engagement with government on indigenisation is ongoing • Zimplats was the torchbearer in the implementation of both the community share ownership trust and ESOT. • Similarly it is playing a leading role in terms of local procurement programmes and the development of LEDs in line with the Presidential Policy Statement of 2016
	Beneficiation Government has directed the platinum industry to build a refinery. An export levy will be placed on all PGM concentrate exports from 1 January 2018	Zimplats already produces and exports converter matte (in metallic granular form). However in line with the government thrust on beneficiation, it is actively looking into further beneficiation by way of refurbishing the existing BMR at SMC and Joint Venture (JV) opportunities with other players in the country. Progress on the implementation of the enhanced beneficiation projects is currently constrained by cash flows triggered by prolonged low metal prices. Consequently, delivery of capital projects and their completion is now being matched to availability of cash resources
	Request for ground On 13 January 2017, the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which the government gave fresh notice that it intended to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The operating subsidiary lodged an objection to the proposed acquisition. Following on the lodging by the operating subsidiary of its objection, the Government of Zimbabwe on 24 May 2017 served the operating subsidiary with an order of compulsory acquisition and on 26 June 2017 the Government filed a court application seeking confirmation of the acquisition.	The operating subsidiary responded to the court application and the parties are currently engaged in discussions to find an amicable resolution of this matter
Employees	**Equity participation** Equity participation was a key aspiration for employees	The ESOT is now in place. Employees were kept informed and involved throughout the process
	Housing for SMC employees The disparity between housing conditions offered to Ngezi employees and those employed at SMC remains a key concern for the latter	Management is exploring various options to ensure that employees based at SMC have access to decent housing. Management continues to engage and dialogue openly with employee leadership on this matter
Shareholders	• Business performance • Compliance with indigenisation laws • Government demand for additional ground • Government expectations on beneficiation	Shareholders are kept informed of the Company's performance through analysts' briefings and quarterly updates released on the ASX. Shareholders are also kept informed of major developments within the Group through ASX announcements.
	Dividend payments	Dividend payments are constrained by cash flow challenges triggered by the prolonged low metal prices

Sustainability Matters (continued)

Stakeholder	Material Issue	Zimplats response
Community	**Employment** • Given the high unemployment rates within Zimbabwe, the community continues to seek opportunities for employment within the Group • Equity participation in Zimbabwe Platinum Mines (Private) Limited for the community	• The operating subsidiary prioritises recruitment of staff from the local communities and consequently the majority of the staff are from the surrounding communities. Zimplats is also exploring opportunities for LEDs and income generating activities for the benefit of the community • Management is engaging the community on this matter
	Allegations of damage to infrastructure from blasting Members of the community have alleged that some of their houses have been damaged by blasting from mining operations	• The operating subsidiary has been engaging the community and community leadership on this matter and routinely brings in independent experts to carry out air blast and ground vibration surveys. Results confirm that the parameters are within standard threshold limits set by WHO. These surveys are conducted in the presence of members of the community and the results are shared transparently with both the community leaders and Mhondoro Ngezi Rural District Council (MNRDC) • The impact of other mining operations in the vicinity is yet to be fully assessed
Media	**Beneficiation** The media has shown an interest in progress on the BMR project	Engagement with the media is ongoing. Within the context of that engagement, members of the media have been made aware of the impact of prolonged low metal prices on delivery of capital projects such as the BMR project
	Impact of low metal prices on the business The media has shown an interest in the extent to which metal prices have affected the business	Information is made available to ensure mutual understanding on the continued impact of low metal prices on the business
Non-governmental organisations lobby groups	Alleged damage to community infrastructure	• Zimplats has remained accessible to the community and lobbyists for dialogue on this and other matters • Results of independent tests have been shared with members of the community and MNRDC

Apart from the one on one interaction, some of the issues raised by stakeholders were addressed through the print and electronic media.

Local supplier development

Zimplats continued with its strategy of local supplier development as part of continuously assisting in the broader economic recovery of Zimbabwe.

Local procurement decreased from 75% in FY2016 to 72% in FY2017, however, the Group remains committed to the development of local enterprises and ultimately the resuscitation of the Zimbabwean economy.

Local enterprise development (LED)

The Zimplats LED programme continues to gain momentum. This has seen the Group work with several small and medium enterprises (SMEs) within the local community in Mashonaland West Province, the province in which Zimplats operations are located.

The enterprises supply Zimplats with goods and services such as protective clothing (work suits and overalls), silica, bricks, engineering, technical products and services such as pinch bars, hydraulic hoses, and pneumatic cylinders, housing maintenance services and ore transportation. They are now at different levels of development receiving technical, financial and skills development support.

Sustainability Matters (continued)

Communities and corporate social investment

Developing partnerships with communities around our operations is one of Zimplats' strategic objectives under management of enterprise risk.

The Group's community engagement strategy is informed by formal research and quarterly stakeholder meetings that include community leaders and local chiefs. The Group embraces corporate social investment as a channel to achieve targeted community development and to nurture relations with the communities adjacent to our operations.

The table below shows the corporate social investments (CSI) over the past five financial periods:

	FY2017	FY2016	FY2015	FY2014	FY2013
	US$	US$	US$	US$	US$
Education	161 495	161 507	299 527	207 474	3 062 160
Sports development	1 133 330	1 492 508	52 271	93 975	53 779
Income generating projects	41 337	66 657	530 102	88 456	80 025
Health	11 815	119 353	22 957	91 009	668 050
Other	592 102	91 078	68 752	578 029	339 641
Total company CSI expenditure	2 235 420	1 931 104	973 610	1 058 963	4 203 655
Direct donation to CSOT	-	-	-	4 200 000	2 500 000
Total CSI expenditure	**2 235 420▲**	**1 931 104**	**973 610**	**5 258 963**	**6 703 655**

The Group spent US$2.2 million▲ on corporate social investment projects during the year with a focus on education, health, income generation and sports development. A summary of some of the key projects is provided below. Priorities for community development projects are developed in close consultation with the local communities through periodic community engagement platforms to ensure that the Group responds to the community needs.

Commercial livestock project

The operating subsidiary introduced a commercial livestock project in Mhondoro Ngezi ward 11 as a way of improving the herd quality and reducing the livestock mortality rate in the area. 16 Bonsmara and Tuli bulls and 64 breeding bucks were handed over to the community to improve genetics in the community herds for 3 500 households. Members of the community were trained in herd health management to support successful roll out of the project. In addition the operating subsidiary rehabilitated dip tanks to ensure the growth of healthy livestock. Given the arid conditions of the area, the commercial livestock project provides alternative livelihood opportunities which do not rely on crops. The intervention will also see the community move from subsistence to commercial livestock production. In the final phase of the project, the operating subsidiary is working with partners to facilitate market linkages.

Project monitoring will continue to ensure that it delivers on the following objectives:

- Improved animal productivity of both large and small livestock

▲This item was the subject of the limited assurance engagement performed by EY.

Sustainability Matters (continued)

- Improved livestock marketing through improved breeds which fetch better prices
- Increased contribution of livestock to food and nutrition (increased household animal protein consumption)
- Documentation of project results and lessons/best practices for dissemination to key stakeholders

The project's interventions are in line with the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim-Asset) Food Security and Nutrition Cluster and the Social Services and Poverty Eradication Cluster. It supports the Government of Zimbabwe's efforts on attaining food security and environmental sustainability, which supports the UN Sustainable Development Goals (SDGs) on eradicating extreme poverty and hunger and ensuring environmental sustainability.

Education

Zimplats believes in building the capacity of our local tertiary institutions to ensure they continue to produce the right expertise for an increasingly dynamic industry. The operating subsidiary entered into a three year partnership with the University of Zimbabwe to assist the institution in meeting its mandate of producing quality students at both graduate and postgraduate levels and conducting research for the benefit of the institution, the mining industry and the country as a whole.

At a community level, the Mutukwa Secondary School project in Mhondoro Mubaira was completed and handed over to the community in FY2017. The scope comprised reconstruction of the school administration block, new ceilings, new toilets with running water and a staff room. This project will ensure that teachers are operating from a safe environment and are motivated to do their best for the benefit of the learners. The school has an enrolment of 365 learners and 14 teachers. Through the project, the school also received 10 computers for its computer lab in support of the Government of Zimbabwe's efforts in improving use of ICTs in schools.

Health

We care for the health and well-being of communities surrounding our operations. In FY2017, we improved access to quality health care services for expecting mothers after assisting with completing the construction of a maternity wing at Gora Clinic in Mhondoro Mubaira. The existence of the facilities has not only led to the reduction of child mortality rates by 88% but has also enhanced the community's access to post natal services immediately after birth.

Community share ownership trust

The Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust (CSOT) continues to function effectively and remains involved in a number of infrastructural development projects which have contributed to the improvement of local livelihoods. In FY2017, the CSOT invested a significant shareholding in a poultry business and has promoted business linkages between the operating subsidiary and the community. The CSOT also secured a contract to supply sorghum through a community out growers scheme to a local brewery.

Management has been engaging the CSOT and the Government of Zimbabwe on implementation of equity participation in the operating subsidiary by the trust in a manner similar to the ESOT.

Community project on albinism

Going forward and in line with its value of caring about the disadvantaged members of society, and promoting inclusive participation in socio–economic activity, Zimplats is working on a programme to assist people living with albinism. The national awareness programme aims at addressing stigma and discrimination towards achieving acceptance and integration of people living with albinism. Beyond education, awareness and integration, the programme is targeting an initial 500 beneficiaries who will be provided with access to various forms of sun protection and where possible, spectacles.

Sustainability Matters (continued)

Sport development programme

Guided by its Wellness Policy, the Group is committed to developing and promoting sport for its employees and its local communities. Sport development seeks to harness the spirit of unity and teamwork within the Group and between the Group and the community. Sport has already proved to be very popular within the community following the introduction of the community soccer team, Ngezi Platinum Stars, and the participation of the community in the annual CEO's Cup, where employees and community teams compete for honours in football and netball. Going forward the sports development programme will also include tennis, athletics, volleyball and swimming to promote life skills.

OUR SAFETY PERFORMANCE

Zimplats has a safety strategy in place to drive the Group towards continual improvement of its safety performance. The safety strategic thrust is based on three broad pillars of people, system and technology.

The Group's achievement of an impressive safety performance in FY2017 is based on its comprehensive safety strategy. The Group also noted significant improvements in safety statistics namely:

- Number of lost-time injuries
- Number of medical treatment cases (MTCs)
- Number of total injuries
- Total injury frequency rate
- Lost time injury frequency rate

▲*This item was the subject of the limited assurance engagement performed by EY.*

Performance summary

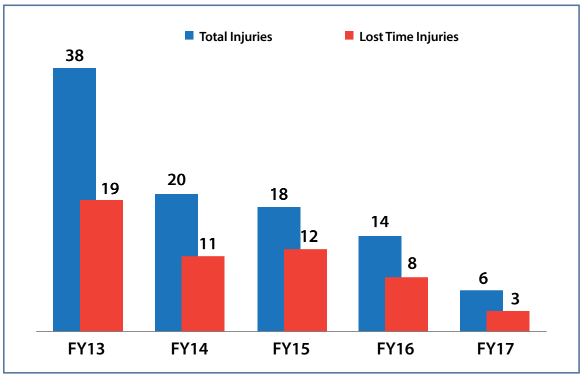
The highlight of the exceptional year was on 9 April 2017, when Zimplats achieved an unprecedented milestone of 365 LTI free days. This means that for the period 8 April 2016 to 9 April 2017, a period covering over 14 million hours, there was no LTI recorded in the Group. This is a landmark achievement for the Group.

The table and graphs below highlight our FY2017 safety performance:

Summary of FY2017 safety performance

Key performance indicator	FY2017	FY2016	Variance %
Fatalities	0▲	0	-
Lost-time injuries	3	8	63
Total injuries	6	14	57
Fatal injury frequency rate	0	0	-
Lost-time injury frequency rate	0.21▲	0.58	64
Total injury frequency rate	0.41▲	1.01	59

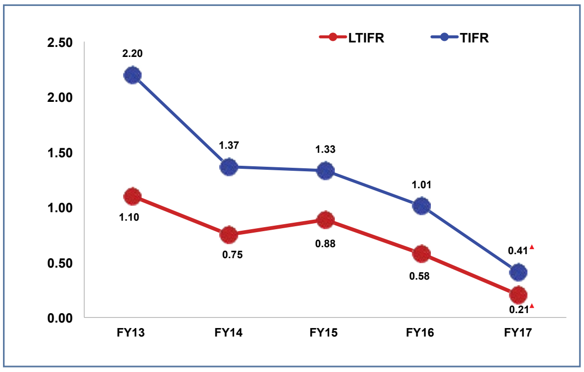
Total injuries and lost-time injuries FY2013 to FY2017



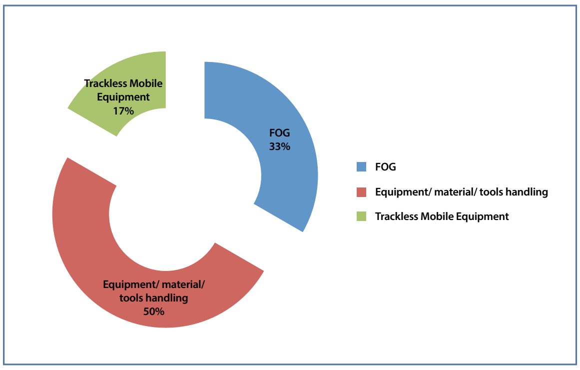
Sustainability Matters (continued)

There has been a sustained decline in the total number of lost-time and minor injuries on duty and the injury rates. The current figures are the lowest ever achieved since the inception of the Group.

TIFR and LTIFR graphs FY2013 to FY2017

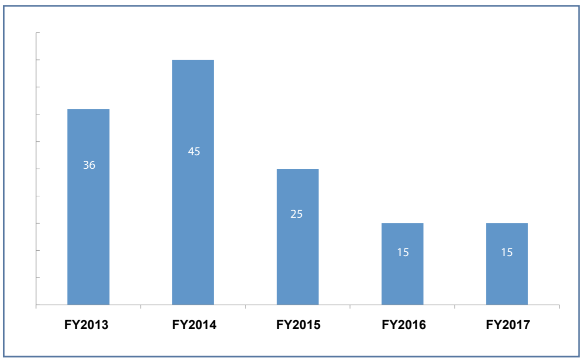


FY2017 injury causation agents



The above analysis of injuries by cause shows that equipment and material handling was a major cause of injuries. Falls of ground (FOG) also continue to pose an ever present risk. This analysis will continue to determine our focus and inform future interventions to effectively manage occupational hazards.

Trackless mining machines (TMM) incidents FY2013 to FY2017



▲*This item was the subject of the limited assurance engagement performed by EY.*

The reduction in TMM incidents that was achieved after the introduction of over speed control (OSCONS) and proximity detection units (PDUs) was sustained at the FY2016 levels. This is a clear indication that the technology interventions have been effective and that their impact is sustainable. More measures focusing on dealing with operator behaviour factors will be pursued to further reduce the rate of TMM incidents. Enhanced technology leading to automation remains on the Group's radar.

Awards and achievements during the year

Mine Rescue Competitions

- Zimplats Processing – 1st place in the National Fresh Air Team
- Zimplats Mining - 2nd in the National Proto Team Competitions

National First Aid Competitions

- Bimha Mine surface team - 1st position in the surface category
- Bimha Mine underground team - 1st position in the underground category
- Mupfuti Mine underground team – 2nd position in the underground category
- Ngwarati Mine surface team - 2nd position in the surface category

Association of Mine Managers of Zimbabwe (AMMZ) audits

- Mines category final audits results:
  - Ngwarati Mine 1st position nationally
  - Mupfuti Mine 3rd position nationally
  - South Pit Mine 4th position nationally

National Social Security Authority (NSSA) safety awards

- Bimha Mine
  - Gold - Mashonaland Province
  - Gold - Mining Sector
  - Gold - National
  - EMCOZ Shield winners
- Mupfuti Mine
  - Silver - Mashonaland Province
  - Silver - Mining Sector
  - Silver - National
- Processing
  - Bronze - Mashonaland Province
  - Bronze - Mining Sector
  - Bronze - National

Sustainability Matters (continued)

The Zimplats safety strategy

Our safety thrust during the year was and continues to be anchored on the three broad pillars of behaviour (people), practices (system) and physical environment (technological) interventions of our safety strategic plan.

People interventions

More emphasis was and will continue to be placed on the following three people focused areas:

- Safety citizenship
- Behaviour based safety/ mental health
- Off the job/community safety

The three are embedded in the Ubuntu concept of team spirit, personal responsibility and respect for self and others. This Ubuntu concept was and will continue to be promoted in the Group through SHE programmes and campaigns under the 'Don't drop the safety clay pot - Usaputsa Chirongo' theme.

Safety citizenship

Goal: To ensure that at Zimplats safety becomes a core part of everyone's job and a shared responsibility. It is about establishment of a self-driven, proactive, motivated and committed workforce.

- Leading and lagging indicators of safety performance as well as people issues are now being monitored, analysed and discussed at the lowest level; self-directed work team (SDWT) level.
- Individual risk profiling for all teams was done. Financial liability, safety, sickness absenteeism and disciplinary record are some of the risk issues that were assessed for individual team members. Overall risk profiles of sub teams were determined by the individual risk ratings of the sub team members. Team members were engaged to address identified high risk aspects.
- Management embarked on an aggressive programme of engagement of these sub-teams to discuss key actions to migrate from dependent to interdependence on the Bradley curve. Action plans are developed from issues raised during the discussions.

Interactions between teams and their respective safety guardians (referred to as sekurus/tetes) who are senior management members from different divisions were done. Issues raised were recorded and action plans developed. The guardians continue to visit their allocated domains on a regular basis to facilitate continuous dialogue on topical matters.

Behaviour based interventions/mental health support

Goal: To achieve safety goals through a strong safety culture linked to a vibrant employee wellness and mental health programme. A healthy and settled mind is needed in order to achieve safety goals.

The Group recognises that the prevailing socio-economic conditions in Zimbabwe pose a significant risk towards attainment of the zero harm goal. In recognition of this challenge, the operating subsidiary has embarked on a comprehensive employee wellness and mental health support programme

- Full time professional counsellors are based at the operations to provide confidential counselling services for employees on work and social issues.
- Group counselling sessions to raise awareness on identified pertinent challenges in the workplace.
- Finance and debt management presentations for employees and their dependents were conducted. The sessions were well appreciated and are aimed at equipping employees with knowledge on managing their personal finances.
- Stress management training targeting supervision was conducted. These supervision level employees are now empowered to coach their respective subordinates on how to deal with psycho-social issues and referring others for professional assistance on a need basis.
- Highlands Halfway House (HHH) consultants commenced mental health assessments during the last half of the year. These specialists whose team includes, clinical psychologists, social workers and psychologists are leading in the implementation of a comprehensive mental health support programme in the operations.

Off the job safety (community safety)

Goal: Develop a well-coordinated safety outreach programme designed to influence and modify safe

Sustainability Matters (continued)

behaviours in the environment from which our employees come from. A commitment to off-the-job safety and health goes hand-in-hand with safety on the job.

- Community participation in SHE activities has been enhanced through drama, dance and poetry, performances during safety milestone celebrations and first aid competitions. Community groups were engaged to do presentations on pertinent safety issues.
- Off the job safety is covered in SHE meetings. Some of the off the job safety topics that have been discussed in meetings include food poisoning, fire safety, cooking safety and water safety. Employees are being encouraged to share these safety tips with their families.
- Community awareness to schools on pertinent off the job safety issues such as road traffic safety and flooding risk were carried out during the course of the year.
- Safety signs and public notices warning against identified risks have been erected at strategic places within the community. Road traffic safety, drowning risks and falls from heights are some of the areas that have been covered.

System interventions

The strong base for our solid performance is our well established Business Management System (BMS) which is compliant to the following international standards;

- OHSAS 18001 - The Occupational Safety and Health Management System (OHSMS)
- ISO 14001 - The Environmental Management System (EMS)
- ISO 9001 - The Quality Management System (QMS)

The following are the highlights of our systems approach in FY2017:

- We realigned our EMS and QMS to the risk and process based 2015 versions of the ISO standards. We were certified on our first attempt.
- We retained the OHSAS 18001 certification without any major or minor non-conformance
- We are now utilising the internationally acclaimed IsoMetrix information management system package to handle and store our SHE data. This package has very strong 'action management' capabilities which facilitate the proper tracking and closure of issues raised during audits, inspections, risk assessments, accident investigations, meetings etc.
- Our contractor management system is maturing well. Its key components include robust pre-qualification safety assessment, employee competence verification, thorough pre-work induction, equipment inspections and contractor compliance inspections and audits. The safety performance of our contractors was commendable during the year.

Technological interventions

In order to support the people and systems pillars of our strategy, the Group has and will continue to aggressively deploy available world class cutting edge technology to improve safety and productivity within our operations. The following are highlights of some of the technological interventions that have complemented the people and systems strategies and positively impacted on our safety performance:

- Trials for a mechanical scaler that enables remote controlled barring down were successful.
- Installation of speed control and runaway protection units on all TMMs was completed during the year.
- Closed circuit televisions (CCTV) were installed on ore handling system in the mines.
- Online seismicity monitoring was commissioned. This will improve mines emergency preparedness and response.
- The fire suppression system upgrade at the SIBX chemical storage sheds at Ngezi concentrator and SMC was completed and commissioned. This project significantly reduces the risk of fire and explosion related incidents.
- Two remotely operated hydraulic mud guns were installed and commissioned. These mud guns further reduce exposure of tappers on the tapholes during taphole opening and sealing operations at the smelter.
- A fibre optic monitoring module was installed and commissioned at the furnace. This is to ensure early detection of hot matte impingement on tap blocks and prevent serious fire and explosion related incidents at the smelter.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

Going forward

We have experienced an impressive safety performance during FY2017. We are however continuing to pursue our ultimate goal, to produce sustainably in a zero harm environment. We have achieved 365 days without an LTI, proving that it is possible to achieve our production targets while upholding the health and safety of our employees. The fact that we also had 6 injuries during the course of the year demonstrates the need for continual improvement in managing our safety performance. Management will continue to strengthen our systems by consolidating our strength and learning from our past challenges.

PROTECTING THE ENVIRONMENT

Zimplats recognises that the scale of its operational activities inevitably impact on the environment through land disturbance, resource consumption and pollution. Responsible environmental stewardship is essential in the management of environmental impacts and of our relationships with host communities, regulators and other stakeholders. Our strategic focus is to proactively prevent, mitigate, minimise and remediate environmental impacts on natural resources and the communities around our operations. We work in accordance with certified environmental management system (ISO14001:2015) which is integrated into BMS. Regulators are important in our environmental management approach and we engage and work together in managing and monitoring environmental impacts and in complying with relevant regulations.

Our strategic approach to managing environmental impact and conserving natural resources

Our strategic approach to managing environmental impact and conserving natural resources revolves around three key areas: compliance obligations, resource management and mitigating impact.

Strategic approach to managing environmental impact

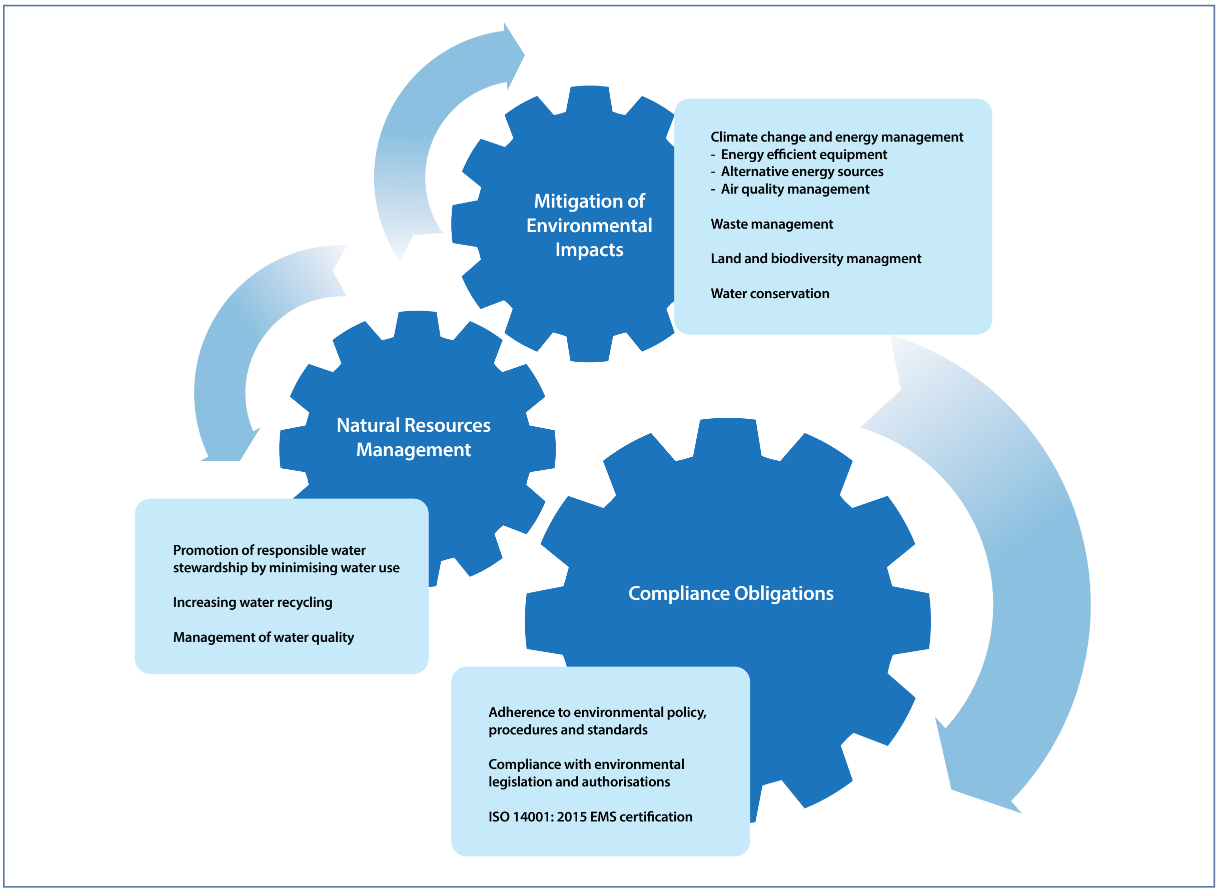
Compliance obligations	Resource management	Conserving natural resources
Environmental policy, procedures, standards, environmental legislation and authorisations.	Promotion of responsible water stewardship by minimising water use, increasing water recycling and management of water quality.	Climate change and energy management, air quality management, waste management, land and biodiversity management.

Our environmental policy provides a framework for responsible and environmentally friendly exploration, mining and processing operations.

- We are committed to complying with all applicable environmental laws, regulations and standards.
- Zimplats establishes programmes to conserve natural resources, comply with applicable obligations and mitigate negative environmental impacts. Environmental management is integrated into all aspects of the business with the aim of achieving world-class environmental performance in a sustainable manner.
- We are committed to retaining certified environmental management systems.
- Environmental legislation continues to evolve. We align our environmental standards and practices accordingly and participate in environmental fora to keep abreast of future changes.
- We align environmental communication with relevant stakeholders and communicate effectively on environmental issues at all operations.
- All new employees receive environmental awareness training and environmental competency training is integrated into training manuals.
- We extend environmental awareness into host communities through clean-up campaigns, training and creating awareness of topical environmental issues affecting the surrounding communities.

Sustainability Matters (continued)

Our environmental mitigation activities focus on the areas illustrated in the figure below.



Environmental management system

We are committed to implementing and maintaining a world-class environmental management system (EMS). Our EMS is integrated into the BMS and has been certified since October 2004. In September 2015, the International Organisation for Standardisation (ISO) published the revised ISO 14001 standard; ISO 14001:2015, and a three-year transition period, commencing on the date of publication, was defined for the introduction and application of the ISO 14001:2015 standard. We successfully aligned environmental management system (ISO 14001) with the revised standard; ISO 14001:2015. DQS Management System auditors conducted a transition certification audit for ISO 14001:2015 and certification to the revised standard was granted in October 2016 by DQS Management Systems. Regular internal and external environment management audits are conducted in keeping with our objective to retain ISO 14001:2015-certified environmental management system.

Sustainability Matters (continued)

Compliance with environmental laws, regulations and authorisations

In keeping with our commitment to comply with applicable legislation we engage with authorities to ensure all applicable licences and permit applications are approved and requirements met. The Environmental Management Agency (EMA) renewed our effluent discharge, air emissions, environmental impact assessments (EIA), hazardous substances, solid waste and hazardous waste licences. Similarly, the Radiation Protection Authority of Zimbabwe (RPAZ) renewed our licences to use industrial and medical radiation equipment. We have valid memoranda of agreement entered into between Zimplats and the Zimbabwe National Water Authority (ZINWA) to secure reliable supplies of raw water.

During FY2017, EMA conducted an audit to check our level of compliance with EIA and the associated environmental management plans. We have six valid EIA certificates for our mining and processing operations.

We were commended for high level of compliance with the established environmental management plans, and we continue to update our environmental management plans in line with the dynamic operating environment. We reviewed our mine expansion and Hartley Mine environment and social management plans and updated them with respect to our increasing interactions with the community.

We regularly track changes in environmental legislation to ensure that all new legislation is identified and complied with. Three statutory instruments relating to environmental management were noted and our compliance status reviewed during the year.

Environment legislation received in FY2017	Status on implementation of requirements
• Electricity (Inefficient Lighting Products Ban and Labeling) Regulations, SI 21 of 2017	We have an established programme to install energy efficient lights including replacement of worn out bulbs with energy savers
• Environmental Management (Prohibition and Control of Ozone Depleting Substances, Greenhouse Gases, Ozone Depleting Substances and Greenhouse Gases Dependent Equipment) Regulations, S.I. 131 of 2016	We updated our Ozone Depleting Substances, Greenhouse Gases, Ozone Depleting Substances and Greenhouse Gases Dependent Equipment databases in line with the regulations to enhance our monitoring of phased out substances The operation will align procurement procedures with the requirements of this regulation
• Zimbabwe National Water Authority (Raw Water Tariffs) Regulations, SI 97 of 2016	The regulation was gazetted to correct the effective date published in the Zimbabwe National Water Authority (Raw Water Tariffs) Regulations SI 48 of 2016 from 6 May 2016 to 1 December 2015. We took note of this change.

Our compliance obligations focus for FY2018 and beyond
We aim to:
- Ensure environmental permits, licences and agreements are available and renewed
- Update environmental management plans in line with expansion activities
- Maintain ISO14001:2015 Environmental Management System certification

Sustainability Matters (continued)

Water stewardship

Water is a critical input into our mining and processing operations and we recognise our obligations in terms of maintaining water quality and not compromising the access rights of other water users. The key water risks we face include increasing raw water costs, water stress leading to operational disruptions, discharge of contaminated effluent, leading to local community discontent and reputational risk.

Our strategy focuses on reducing raw water consumption and elimination of effluent discharge through increased water recycling and process efficiency. We work closely with the Zimbabwe National Water Authority (ZINWA), and with catchments and sub-catchments councils to ensure security of water supplies for our operations. We engage regularly with the ZINWA and EMA to ensure availability of all appropriate water abstraction, storage and discharge licences and permits.

Performance on water

The abstraction, use and recycling of water is closely monitored and managed in our operations. The total water withdrawn for FY2017, including water abstracted from dams and ground water was 7 218 megalitres compared to 7 903 megalitres for the previous year. The 9% decrease in water withdrawn is attributed to an increase in use of recycled water. 4 948 megalitres of water was recycled during the year, equating to 41% of all water consumed which is above our target of 40%. Our conservation strategy advocates utilisation of less fresh water and maximum use of recycled water. Total water consumption this year (water withdrawn plus water recycled) was 12 166 megalitres reflecting a marginal (0.4%) increase from 12 121 megalitres for FY2016. The increase is attributed to an increase in production. Water consumption was 1.81 kilolitres per tonne compared to 1.89 kilolitres per tonne for the previous year. The improvement in unit consumption rate of water is a positive indication that we are improving our water management practices.

Water abstraction from dams was all within the set allocation limits.

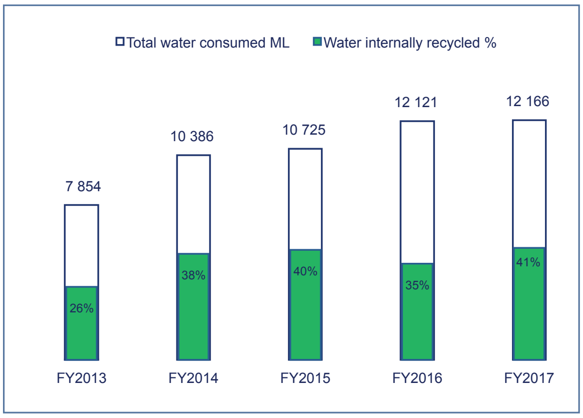
- Our SMC operation abstracted 45% of the water allocation from Manyame dam while Ngezi operations withdrew 87% from Ngezi dam and 13% of Chitsuwa Cha Mandizadza dam's annual yield.
- To prevent exceeding water allocation limits from Ngezi dam, additional water is obtained from the Chitsuwa Cha Mandizadza dam, which was constructed by Zimplats and issued with a water storage permit by ZINWA in FY2016.
- The availability of water for our operations in the short to medium term is assured by the existing water abstraction agreements entered between Zimplats and the ZINWA.

Water consumption (ML)	FY2017	FY2016	FY2015	FY2014	FY2013
(1) Water from dams/ lakes	5 481▲	5 569	4 106	4 947	4 401
(2) Water from ground water	1 737▲	2 333	2 341	1 442	1 374
Water withdrawn 1 + 2	7 218▲	7 903	6 447	6 389	5 775
Water internally recycled	4 948	4 218	4 278	3 997	2 078
Total water consumption	12 166	12 121	10 725	10 386	7 853

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

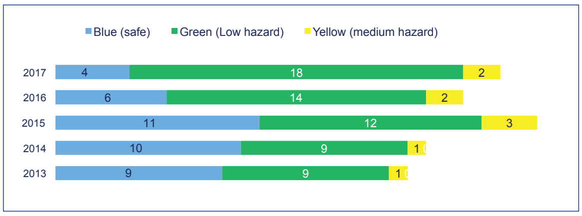
The illustration below shows a comparison of historical water consumption rates



Effluent discharge licences

We renew our licences on an annual basis in line with solid waste and effluent discharge regulations. We strive to operate with no red effluent discharge licence. The operation has gone for seven years without a red effluent discharge licence. Research work is in progress to identify opportunities to reduce the two yellow licences to green. During FY2017, we successfully eliminated one blue discharge licence. To ensure compliance of our new operations with effluent discharge regulations, three new green discharge licences were applied for and issued during the year.

Effluent licenses trend



Our water focus for FY2018 and beyond
In the year ahead we plan to:

- Maintain greater than 40% water recycling for the operation
- Continue exploring opportunities for recycling treated sewage effluent
- Explore opportunities for improving effluent discharged in the yellow category
- Ensure effluent permits are available and renewed annually.

Climate change and energy management

Zimplats is conscious of the environmental and socio-economic risks associated with climate change. We are progressively integrating climate change mitigation into our core business and aligning processes with climate change and greenhouse gas emission reduction policies and legislation. We are committed to reducing carbon emissions emanating from both direct (Scope 1) and indirect (Scope 2) emissions. Scope 1 emissions are from sources that are owned or controlled by Zimplats and these include the use of fuel and coal. Scope 2 emissions arise from the consumption of grid electricity. Our climate change and energy management thrust is on initiatives related to solar heating, solar lighting and installation of energy efficient motors. Other initiatives which include load scheduling, power factor correction and transformer tap setting reduction are also implemented in our operations. We participate in the annual greenhouse gas (GHG) emissions assessment conducted by the Implats Group to identify areas for mitigation and improved efficiencies.

Performance on climate change and energy management

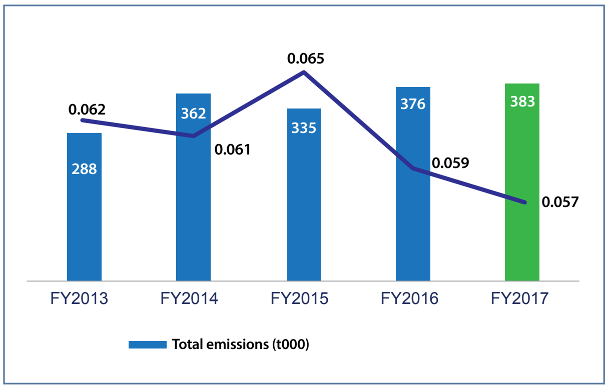
Total carbon dioxide (CO_2) emissions for FY2017 amounted to 383 000 tonnes up from 376 000 for FY2016. The increase in CO_2 emitted is attributed to project activities and increased production in FY2017. Most of our greenhouse gas emissions (330 000 tonnes or 86%) are associated with electricity usage, with the balance (53 000 tonnes or 14%) emanating from direct use of coal, diesel and petrol. Our emissions intensity (tonnes of CO_2 per tonne of ore milled) was 0.057, a positive improvement from 0.059 reported in FY2016.

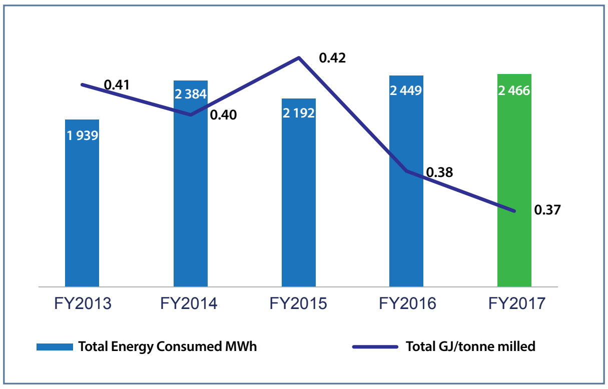
Purchased electricity contributed to 78% of our total energy consumption while the remaining contribution was from direct energy from use of diesel, petrol and coal. Our energy consumption intensity (gigajoules per tonne) for FY2017 was 0.37 GJ/tonne compared to 0.38 GJ/tonne for the previous year. The improvement is attributed to an increase in tonnes milled.

Sustainability Matters (continued)

We purchased energy efficient electric motors which will be installed at the Ngwarati Mine, smelter and SMC concentrator. Since inception of the energy efficient lighting program in February 2014, a total of 4 391 megawatt-hours (MWh) were saved. Our 2017 annualised savings amounted to 1 507 MWh. The table below shows a historical comparison of climate change indicators since FY2013.

Climate Change Indicators	Units	FY2017	FY2016	FY2015	FY2014	FY2013
Direct CO_2 emissions	(t000)	53▲	49	44	50	44
Indirect CO_2 emissions	(t000)	330▲	327	291	312	244
Total CO_2 emissions	(t000)	383	376	335	362	288
Electricity purchased	(MWh000)	499	495	441	473	370
Direct energy	(GJ000)	668▲	668	606	680	607
Indirect energy	(GJ000)	1 798▲	1 782	1 587	1 704	1 333
Total energy	(GJ000)	2 466	2 450	2 193	2 384	1 940





The tables above show historical comparison on emissions intensity and energy consumption over the since FY2013

Material consumption statistics

Material	Unit of Measure	FY2017	FY2016	FY2015	FY2014	FY2013
Diesel	litre	13 271 406▲	12 371 876	11 395 912	12 010 548	11 731 857
Petrol	litre	104 652▲	104 082	104 034	250 183	326 645
Coal	tonne	6 432▲	6 703	5 846	7 442	5 051
Ore milled	tonne	6 715 963	6 406 187	5 163 499	5 939 277	4 683 135
Diesel	litre / tonne milled	1.98	1.93	2.21	2.02	2.51
Petrol	litre / tonne milled	0.02	0.02	0.02	0.04	0.07
Coal	tonne / tonne milled	0.001	0.001	0.001	0.001	0.001

The table above shows a historical comparison of fuels consumed since FY2013

Our climate change and energy management focus for FY2018 and beyond

- We aim to:
  - Continue implementing solar power projects (water heating and lighting) in our operations and company houses (solar water heating geysers)
  - Implement solar street lighting programme
  - Install energy efficient equipment:
    - Electric motors at the smelter, Ngwarati Mine and SMC concentrator
    - Replacement of worn out bulbs with energy savers

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

Air quality management

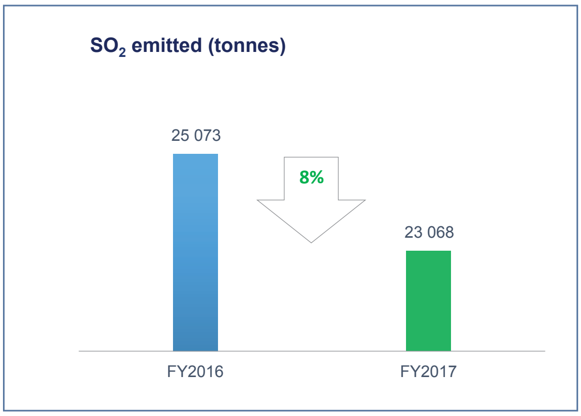
Our most significant air quality management issue relates to sulphur dioxide (SO_2) emissions from the smelting operations. Our air emission discharge points are licensed by EMA in line with the air pollution regulations. The current legislative SO_2 emission point source limit of 50mg/Nm^3 is considered virtually unattainable even with best practice abatement technologies. As such, we operate in the red air emission licence category. The process of review of the air emission legislation has commenced while the draft air quality management standard has been finalised. The current air quality regulations prescribe limits for point source and do not include ambient air or ground level concentration limits. However, the air quality standard incorporates the ambient air quality limits. Point source and ambient air monitoring network has been established at our operations. We successfully set up a continuous emission monitoring system (CEMS) to monitor point source emissions from our smelting operations. The unit measures:

- Point source particulate matter
- SO_2
- Pressure
- Velocity
- Stack temperature
- Stack flow

In addition to CEMS, quarterly air emission measurements are conducted targeting parameters (SO_2, NOx, PM_{10}) stipulated in the air emission licence. We have two ambient air monitoring stations established to monitor the quality of air around our operations. These monitoring stations measure SO_2, NOx, particulate matter and weather conditions. The upgrading and calibration of the air monitoring network was successfully conducted during FY2017.

Air quality management performance

Ground level SO_2 concentrations (24 hourly) recorded at our ambient air monitoring stations were within the acceptable limits averaging 33 micrograms per cubic meter (µg/m^3) against threshold limit of 125 µg/m^3. Our dust fall out network predominantly recorded slight deposition dust fall out levels. The figure below illustrates the decrease in SO_2 emissions during FY2017.



Our focus on air quality management for FY2018 and beyond

- In FY2019 a fugitives capture system will be installed together with the relined and upgraded furnace project to maintain ground level concentrations to within acceptable limits while medium to long-term, a wet sulphuric acid plant will be installed to bring point source emissions within limits.

Land and biodiversity management

It is inevitable that all our operations will close at some stage in the future. Land and biodiversity management is therefore key to minimising or eliminating negative environmental impact throughout the course of our operations. Our current closure programme is focusing on rehabilitation of open-pits, tailings storage facilities and other disturbed areas. We review and update our closure liabilities on an annual basis taking into consideration premature and life of mine closure scenarios.

Our current focus is on developing detailed closure plans for all our operations and this will enhance our closure liability costing for FY2018 going forward. Our rehabilitation approach is consistent with the pre-disturbance land use taking into account regulatory requirements and stakeholder expectations. We are maintaining an active rehabilitation programme for the open-pits and tailings storage facility which involve progressive in-pit dumping, backfilling and re-vegetation. The biodiversity impacts of our mining operations are determined through EIA and monitored through inspections and audits. We have site-specific procedures and standards to manage the impacts associated with our activities.

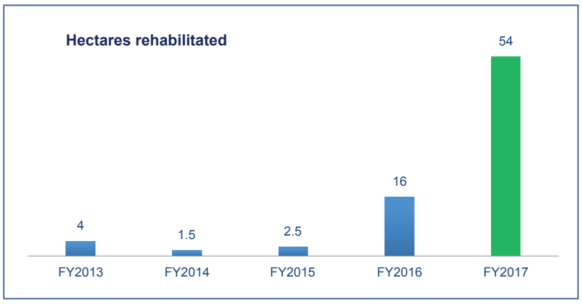
Sustainability Matters (continued)

Land and biodiversity management performance

Our open-pits rehabilitation progressed well during FY2017 with a total of 390 299 loose cubic meters (LCM) moved against a plan of 386 440 LCM and previous year performance of 237 066 LCM. In-pit dumping at the current active South Pit Mine was carried out as per plan.

- A total of 1.2 hectares were rehabilitated at the current open-pit site as part of the progressive rehabilitation plan.
- A total of 280 indigenous trees were planted as part of the open-pits rehabilitation programme. The progressive rehabilitation approach reduces the overall liability for rehabilitation works particularly during the decommissioning stage.
- The total area re-vegetated on the tailings storage facilities slopes is 53 hectares, up from 16 hectares for the previous year. This is attributed to an increase in areas requiring tree and grass planting at the Ngezi tailings storage facility.

The figure below shows a historical comparison of rehabilitated land since FY2013.



We recognise the risks associated with ineffective closure, as a result, we established the closure cost liability and the associated financial provisions for FY2017. The review process took into account premature and life of mine closure scenarios. The FY2017 closure liability assessment included review of previous and current open-pits rehabilitation programme.

Our focus on land and biodiversity management for FY2018 and beyond

Our principal focus in the coming year is on:
- Continuing with open-pit rehabilitation programme
- Reviewing and updating closure and rehabilitation plans
- Progressive rehabilitation of the tailings storage facilities

Managing our waste

Our waste management activities are focused on ensuring compliance with legislative requirements relating to waste. We renew our solid waste and hazardous waste licence on an annual basis as required by environmental legislation. Our domestic waste landfills are lined and equipped with the leachate collection system in compliance with the solid waste and effluent regulations. We have detailed waste management standards which guide operations for sound waste management. During FY2017, we set up waste segregation infrastructure at the landfill sites to enhance waste collection for recycling. We work with community based organisations and licenced scrap dealers to augment waste recycling efforts.

We manage both mineral and non-mineral waste streams as guided by our internal and Implats Group waste management standards. Our mineral waste includes tailings, slag and waste rock. The management of tailings storage facilities (TSF) is one of our strategic focus areas. Tri-annual TSF meetings and inspections are conducted by competent internal and external personnel. In addition, daily, weekly and monthly inspections were conducted by Zimplats and Frazer Alexander as part of TSF operational controls. We recycle effluent from the tailings storage facilities return water dams.

We engaged EMA with regard to the disposal of hazardous waste from the mothballed BMR. The hazardous waste situation remains challenging in Zimbabwe as there are no best practice facilities available. However, we have hazardous waste storage facilities which have been licenced by the environmental regulatory authority.

Zimplats partners with the host communities in ensuring a clean environment around operations. In line with this approach, clean-up campaigns involving host communities were held during the year. The participants included regulatory authorities, rural district councils, the business community, community members, community leaders, schools and churches. The clean-up campaigns included awareness sessions on waste management and effects of

Sustainability Matters (continued)

littering. We believe these partnerships will go a long way in ensuring a clean environment in the host communities we operate in.

Our focus on waste management for FY2018 and beyond

Our focus areas:
- Continue to investigate alternative disposal solutions for various waste streams
- Continue partnering with host communities in waste management initiatives

OUR PEOPLE

Our philosophy is that our people are our greatest asset. Our values (Care, Respect and Deliver) reflect our people management culture. To that end, our human resources policies and practices are firmly underpinned by that philosophy and aim to attract and retain the best skills on the market.

Effective people are the key drivers of the Group's productivity and competitiveness. Consequently, the Group's human resources development strategy is focused on delivering in both skills training and leadership development. The principle of a learning organisation continued to be the driving force in the human resources development strategy.

The Group's annual staff turnover for the period under review was 3.1% which means that the Group did well in retaining its skills base thereby ensuring continuity and preserving value.

The Group's own employee headcount increased slightly from prior period (3 047) to close the year at 3 065 employees. Female employees constituted 7% of the total workforce. The total number of contractor employees increased by 20% from prior year to 2 878. Contractors are defined as non-permanent employees who are contracted directly by the company for a fixed term and/or those employees working for third parties that have been contracted by the company for specific projects.

Headcount by division

Division	Headcount June 2017
Mining	2 247
Processing	433
Technical services	97
Commercial	76
Human resources	74
Projects	70
Operating subsidiary's head office	23
Trainees	21
ICT	13
Group SHEQ	6
Engineering	4
Sydney Office	1
Total own employees	**3 065**
Opex contractors	2 182
Capex contractors	696
Total contractors	**2 878**
Total labour	**5 943**

Headcount by location

Employees by location	
Ngezi	2 627
SMC	418
Harare	19
Sydney	1
Total	**3 065**

Headcount by employee groups

Employee groups	
National Employment Council (NEC) members	2 818
Non NEC members	247
Total	**3 065**

Headcount by gender

Employees by gender	
Female	215
Male	2 850
Total	**3 065**

Sustainability Matters (continued)

Enhancing employee wellness

Strategic approach to wellness

The Group believes that total wellness is essential in order for our people to enjoy a healthy life and to be meaningfully productive at work. The Group therefore seeks to reinforce the Group's wellness programmes in order to enhance employee total wellbeing and productivity in line with goal number three of the United Nations Sustainable Development Goals.

Goals

1. To create an environment that promotes the total well-being of our people, their families and the community as a whole.
2. To provide diseases management, care and support to all our people, their families and the community as a whole.

Key achievements

1. The Group embarked on a comprehensive mental health programme with the objective of creating sound mental health in the workforce and their families.
2. Wellness programmes were run successfully within the Group and the community. These focused on HIV/Aids, non-communicable diseases and mental health.
3. The Turf Youth Club was launched with youths from the community participating in various social sporting activities which included soccer, netball, basketball, cricket, volleyball, chess and athletics. The club is run by the community on a voluntary basis.
4. Turf and the surrounding community continue to benefit from the Zimplats doctors' services to the community at Turf clinic. This has had a positive impact on the overall health of the surrounding community.
5. Disease prevention education continued with no outbreak reported during the year under review.
6. The operating subsidiary won the 2016 Institute of People Management (IPMZ) Best Corporate Social Responsibility Award in the field of HIV awareness and wellness.

Occupational health surveillance

We focused on reduction of exposure to health hazards at the source through good engineering practice and rigorous maintenance of controls. Our standards and procedures go beyond just legal compliance as we continue to seek the best standards for employees.

Noise induced hearing loss (NIHL)

There were two cases of NIHL recorded during the year. Hearing conservation programmes continue to be prioritised in order to minimise cases of NIHL within the workforce. Hearing conservation awareness was offered to all employees and contractors at pre-employment, annual, periodic, and pre-placement examinations. Those who experienced percentage loss hearing (PLH) during screening audiograms were referred to the audiologist for confirmation. These were monitored bi-annually to track for deterioration of hearing.

Engineering and other controls are being put in place to mitigate against incidences of NIHL. The aim is to continuously move our recommended controls up the hierarchy by investing in engineering controls to manage risks.

Biological monitoring

Monitoring of employees and contractors exposed to lead continued with a total of 92 employees and contractors being tested this year. No cases of abnormal lead levels were identified during the year.

Pneumoconiosis

Two cases of pneumoconiosis were recorded during the year. Once diagnosed, all cases of pneumoconiosis are managed in line with the provisions of the Pneumoconiosis Act (Chapter 15:08).

Sustainability Matters (continued)

Tuberculosis

Screening of suspected cases and contacts was carried out during the year. Identified cases were reported to the Ministry of Health and Child Care and commenced on treatment per the Ministry's guidelines. Reports were simultaneously made to the National Social Security Authority (NSSA) for compensation purposes and statistics. Contact tracing includes employees in the same work team as the index case.

New pulmonary tuberculosis cases treated

Division	FY2017	FY2016	FY2015	FY2014	FY2013
Mining	2	5	4	6	2
Processing	-	-	1	1	-
Total	**2**	**5**	**5**	**7**	**2**

Malaria

Out of five malaria cases treated at the operating subsidiary's facilities, three gave a positive history of prior travel to malaria endemic areas. Two cases of Zimplats mining employees who tested positive to both rapid and microscopic tests had no history of travelling to malaria endemic areas. The Ministry of Health and Child Care have defined the Turf area as a seasonal low transmission zone. Internal malaria control programmes continued in line with the national guidelines. Of the five rapid test positive malaria cases, four were from the mining division while one was from the processing division.

Total wellness

A new Zimplats Wellness Policy was crafted to reflect the Group's evolved thrust which now focuses on total wellness as opposed to merely focusing on HIV/Aids. The wellness policy seeks to enhance and protect the health and wellbeing of all employees, their families and the surrounding communities, addressing occupational, non-communicable diseases and the work environment. Two hundred wellness champions were re-trained to align them to the requirements of the new wellness policy.

Antiretroviral treatment programme

Total number of patients on antiretroviral treatment

Division	FY2017	FY2016	FY2015	FY2014	FY2013
Mining	143	138	122	108	91
Processing	31	29	27	28	28
Total	**174**	**167**	**149**	**136**	**119**

New patients on antiretroviral treatment

Division	FY2017	FY2016	FY2015	FY2014	FY2013
Mining	11	27	22	25	11
Processing	3	3	1	-	-
Total	**14**	**30**	**23**	**25**	**11**

Though we have adopted the test and treat approach, we have recorded a reduction in the number of new employees on antiretroviral treatment. This could be due to an increase in the number of private clinics around the mining area as employees are not restricted to Zimplats clinics for these services.

Voluntary counselling and testing (VCT) uptake

The Zimplats medical services department has engaged the services of Zimbabwe Aids Prevention and Support Organisation (ZAPSO) to carry out VCT. The number of clients who underwent VCT in FY2017 went up by 55% after engaging the new business partner.

Summary of VCT Uptake

Division	FY2017	FY2016	FY2015	FY2014	FY2013
Mining	1 819	1 057	1 278	1 778	1 233
Processing	120	186	186	371	155
Total	**1 930**	**1 243**	**1 464**	**2 149**	**1 288**

Wellness programme

The table below shows the total number of people on the Group's wellness programme.

Sustainability Matters (continued)

Division	FY2017	FY2016	FY2015	FY2014	FY2013
Mining	177	159	130	116	106
Processing	31	30	28	29	29
Total	**208**	**189**	**158**	**145**	**135**

There has also been a focus on non-communicable diseases (NCDs) which have emerged as a top wellness risk. Wellness champions have become more active in communicating risk factors of NCDs after the re-training.

Employee welfare

In line with the national thrust towards housing, the Group remains committed to ensuring that all employees live in decent accommodation. At Ngezi, the employee housing stock is 2 087 units which comprise 1 410 company owned houses and 677 core houses under the employee home ownership scheme. The company has provided temporary camp accommodation to employees that are not yet provided with houses so as to ensure that all employees are accommodated in decent accommodation. It should be noted that the accommodation in camps and villages is single accommodation, therefore, employees cannot live with their families. This situation is not desirable, and therefore the employee housing project remains a priority.

The Group will continue to seek a low cost housing delivery model for SMC based employees.

The ESOT was concluded in January 2017. The finalisation of the ESOT was well received by employees and it is regarded as a milestone achievement. The ESOT was issued a 10% equity stake in Zimbabwe Platinum Mines (Private) Limited and the shares were duly registered in the name of the ESOT. The purchase of the shares was financed by way of an interest bearing loan provided by Zimbabwe Platinum Mines (Private) Limited to the ESOT.

Mineral Resources and Ore Reserves Summary

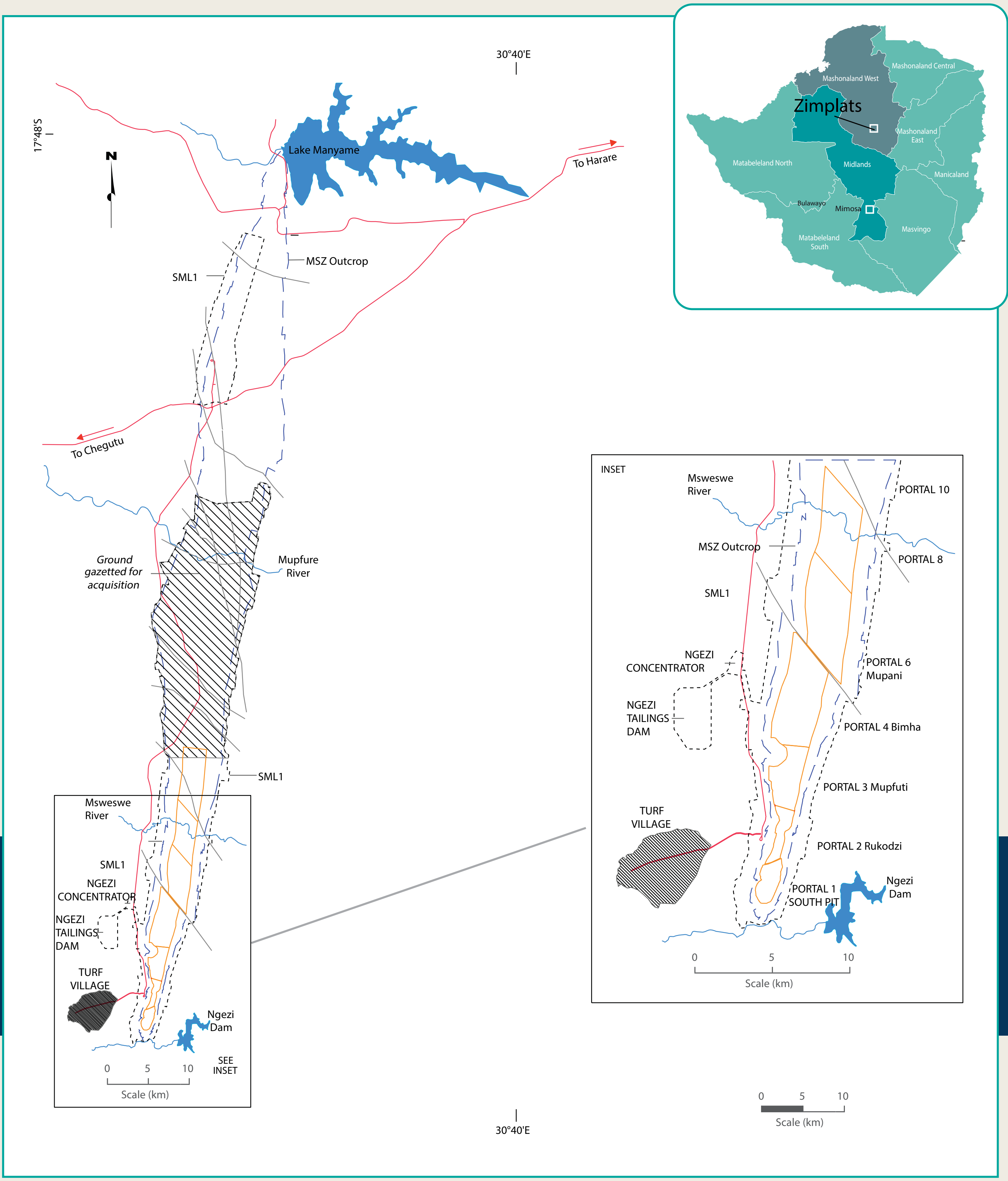
History

In 1986, Delta Gold Limited (Delta) acquired rights to its first platinum resources on the Great Dyke in Zimbabwe. Delta brought BHP Minerals International Exploration Inc. (BHP) into a joint venture (66.7% BHP and 33.3% Delta) to develop Hartley Platinum Mine and development started in 1994. By 1998, it had extended its cover to include interests in all the platinum resources of the Hartley Complex. In 1998, Delta Gold demerged its platinum interests into a special purpose vehicle. In 1999, it became apparent that Hartley Platinum Mine had failed to meet its development targets and was put on care and maintenance by BHP. Zimplats subsequently took over BHP's share of Hartley Platinum Mine and Selous Metallurgical Complex (SMC) and initiated the Ngezi/SMC project in 2001 with the assistance of Implats and ABSA Investment Bank. A 2.2 million tonne per year open-pit mine was established at Ngezi whose ore was trucked to Selous where it was processed in the SMC concentrator and smelting facilities. The first converter matte was exported to South Africa in April 2002 and Implats progressively increased its shareholding in Zimplats until 2003, when it made an unconditional cash offer to minority shareholders in Zimplats. Currently Implats' shareholding in the entity is 87%, with the remaining 13% being held by minority shareholders. In 2003, Zimplats embarked on the development of underground operations at Ngezi to replace the east and west open pits, which were stopped in 2008. Over the past eight years, the production volumes from the operations have been increased to the current 6.2 million tonnes design capacity of ore per year from four underground mines and one open pit, all of which feed the two concentrator modules at Ngezi as well as the SMC concentrator.

Location

The location of the Zimplats operations in the Mashonaland West province of Zimbabwe is depicted on the accompanying map. Ngezi Mine is located approximately 150km southwest of Harare, at the southern end of the Sebakwe sub-chamber of the Hartley Complex on the Great Dyke. Hartley Platinum Mine and SMC are located 80km west-southwest of Harare and 77km north of the Ngezi Mine in the Darwendale sub-chamber of the Hartley Complex of the Great Dyke.

Mineral Resources and Ore Reserves Summary (continued)



Zimplats locality map

Mineral Resources and Ore Reserves Summary (continued)

Mineral rights

Zimplats holds a special mining lease, special mining lease number 1 (SML1), covering two areas measuring a total of 48 535ha. The SML1 is supported by a mining agreement (the Mining Agreement or the MA). The SML1 which expires in August 2019 allows for a further two extensions of 10 years each. The Hartley Complex is about 100km long and contains 80% of Zimbabwe's PGM resources. Zimplats, through the special mining lease, controls two-thirds of this.

In March 2013, the Government of Zimbabwe (the GoZ) gazetted a preliminary notice of its intention to compulsorily acquire a large portion of ground (measuring 27 948 hectares), held under the SML1 and situated on the north of Portal 10. That portion of ground contains approximately 54 Moz Pt in Mineral Resources. In March 2013 Zimplats lodged a formal objection to the preliminary notice to compulsorily acquire the land. The March 2013 preliminary notice was subsequently superseded by a new preliminary notice which the GoZ issued on 13 January 2017. The new preliminary notice gave fresh notice of its intention to compulsorily acquire land measuring 27 948 hectares within Zimplats' special mining lease area. The new notice repealed all previous notices issued by the GoZ in respect to its proposed compulsory acquisition of this portion of Zimplats' mining lease area. Zimplats lodged an objection to the proposed compulsory acquisition on 10 February 2017. On 24 May 2017, the GoZ served Zimplats with an order of compulsory acquisition and on 26 June 2017 the GoZ filed a court application for the confirmation of the acquisition. Zimplats responded to the court application and the parties are currently engaged in discussions to find an amicable resolution of the matter. Depending on the outcome of the matter in the Administrative Court, or the outcome of any further discussions that Zimplats may have with the GoZ on the matter, the Zimplats Mineral Resources may be significantly reduced.

Infrastructure

Infrastructure to support production consists of integrated road networks, four production underground portals, one open pit, conveyor networks and ore load out facilities for road trains. Ore processing infrastructure consists of two concentrator modules at Ngezi with a total combined capacity of about 4Mtpa, one concentrator and a smelter at SMC. Water for the Ngezi operations is drawn from the Ngezi and Chitsuwa Cha Mandizadza dams. Zimplats' annual allocation from the two dams is 11 000ML and this exceeds the current requirements. The SMC is located about 77km north of Ngezi Mine with processing infrastructure which includes a 2.2Mtpa concentrator, a 13.5MVA smelter, tailings storage facilities, stores and offices. Water for the SMC operations is abstracted from the Manyame Dam where Zimplats has an annual allocation of 5 000ML. Power from the Zimbabwe Electricity Supply Authority's Selous sub-station is fed to the transformers at Ngezi and SMC via 132kV overhead lines. These assets and the wide network of information technology and communication equipment provide services to the business.

Environment

Zimplats is ISO 14001 certified. In line with the environmental management system expectations, all areas are required to identify and report on environmental incidents. Systems are in place to investigate and determine the direct and root causes of high severity incidents and to address and close out these incidents.

One tailings storage facility is located at SMC within the special mining lease area. The tailings storage facility is designed for a deposition rate of 2.4 million tonnes per year and a life-of-mine (LoM) storage capacity of 72 million tonnes. Additional space is available to extend the tailings facility in future. The tailings storage facility at Ngezi is designed for a ramp up in deposition from 2 million tonnes to 12 million tonnes per year in line with the mining expansion plan. The current deposition rate is 4.2Mtpa. The tailings dam is designed for a LoM deposition of 450 million tonnes. Tree planting and grassing at Ngezi and the SMC tailings dams are carried out regularly to create a physical barrier to address the issue of dust from the tailings dam, while efforts are also made to keep the dam moist to suppress dust. The current tailings dam rehabilitation targets new surfaces created as the tailings dam continues to rise.

Zimplats has successfully completed projects to attain 100% compliance with the waste and effluent regulations requirements through the construction of leachate collection systems and landfill lining for both the Ngezi and SMC landfills.

Geology

The Great Dyke of Zimbabwe developed as a series of initially discrete magma chamber compartments, which coalesced as the chambers filled. On the basis of structure, style of layering

Mineral Resources and Ore Reserves Summary (continued)

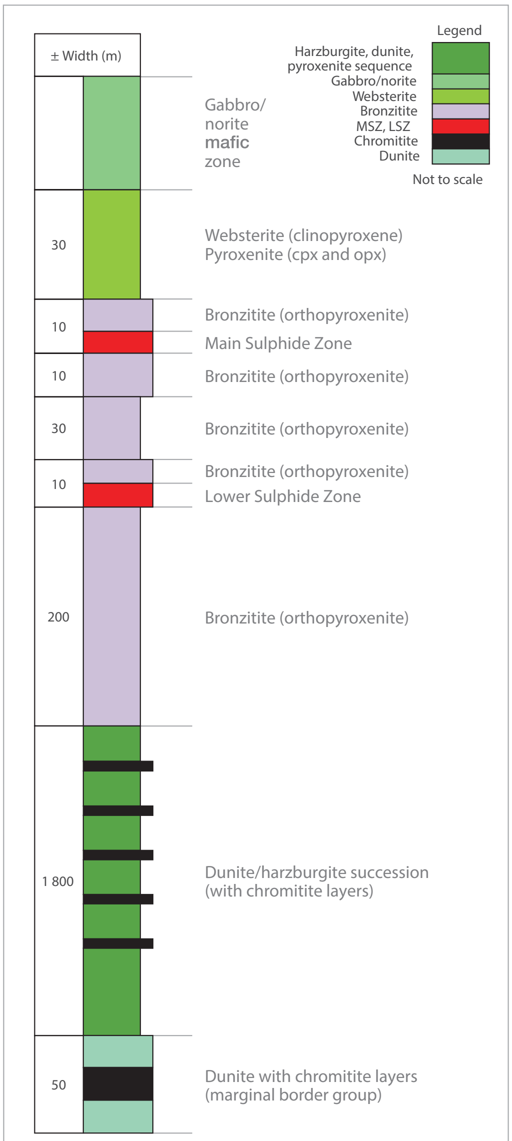
and continuity of layers, the Great Dyke has been sub-divided into five sub-chambers namely the Wedza, Selukwe (Shurugwi), Sebakwe, Darwendale and Musengezi sub-chambers. The stratigraphic units in each sub-chamber are classified into the ultramafic (lower) and the mafic (upper) sequence. The ultramafic rocks are dominated from the base upwards by dunite, harzburgite and pyroxenite, while the mafics consist mainly of gabbro and gabbronorite. Narrow layers of chromitite occur at the base of cyclic units throughout the ultramafic sequence. The platinum-bearing horizon is known as the Main Sulphide Zone (MSZ), which is part of the lower sequence and is located immediately below the mafic sequence.

The platinum-bearing MSZ is located in the P1 pyroxenite, 5 metres (m) to 50m below the ultramafic/mafic contact and is a continuous layer, 2m to 10m thick, which forms an elongated basin. The zone strikes in a north-north-easterly trend and dips between 5° to 20° on the margins, flattening towards the axis of the basin. Peak base metal and PGM values are offset vertically with palladium peaking at the base, platinum in the centre and nickel towards the top.

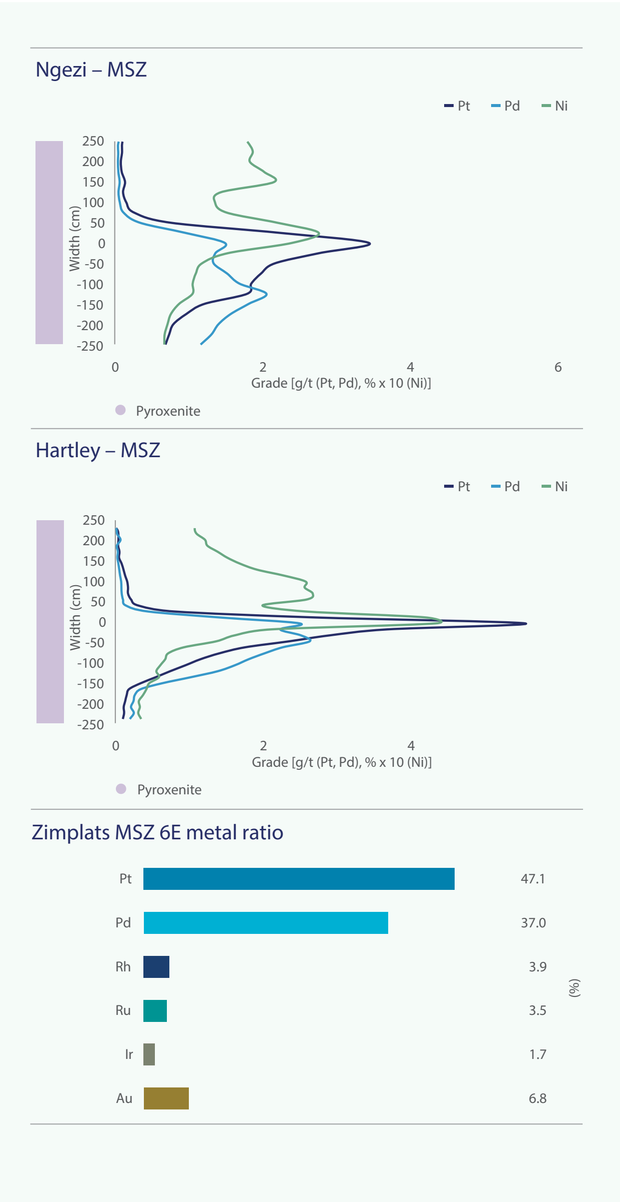
Visual identification of the MSZ is difficult, therefore systematic monitoring of the reef using various sampling methods is needed to guide mining.

Exploration

Surface exploration drilling for Mineral Resources evaluation



GENERALISED GEOLOGICAL SUCCESSION OF THE GREAT DYKE AT ZIMPLATS



A generalised stratigraphic column and mineralisation profiles are shown above

Mineral Resources and Ore Reserves Summary (continued)

and geotechnical assessment was done in the year under review as follows:

Portal 2 (Rukodzi Mine)	2 holes in the northern area at the Rukodzi Mine/Mupfuti Mine boundary
Portal 3 (Mupfuti Mine)	11 holes
Portal 4 (Bimha Mine)	10 holes
Portal 6 (Mupani Mine)	4 holes
Portal 8	9 holes
Hartley Mine	5 twin holes

Although samples were taken to Genalysis Laboratory during the year, the assay results had not been received by the time the Mineral Resources estimates were compiled. As a result, the same resource block models that were used in the previous year were used again this year.

Underground diamond drilling was done for reef profiling and geotechnical assessment as follows:

Ngwarati Mine	9 holes
Rukodzi Mine	15 holes
Mupfuti Mine	23 holes
Bimha Mine	26 holes
Mupani Mine	2 holes for geotechnical assessment only

All holes were logged and sampled and no new major geological structures were identified.

Mineral Resource estimation and reconciliation

The updated Mineral Resource estimates as at 30 June 2017 are tabulated on the next page. Mineral Resources are quoted inclusive of Ore Reserves. Day-to-day operations are monitored using in-house lead collection fire assays with AA finish, while the Mineral Resources and Ore Reserves in this statement are based largely on external nickel sulphide collection fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied, which means that there may be slight variances in recovery and other parameters.

Oxides have lower metallurgical recovery than sulphides with conventional technology and are currently marginal to subeconomic. Oxides are rarely sampled directly, therefore some elements, particularly palladium, may be depleted relative to the figures quoted below.

Mineral Resources have been estimated using kriging techniques on assay data derived from surface boreholes. Estimates are based on composite widths that vary depending on cut-off grades, which are based on appropriate economic parameters. The recently completed numerical modelling exercise has confirmed that the revised pillar layout is robust and will arrest any propagation of pillar failure in the mine.

The classification of Mineral Resources at Zimplats is informed by a matrix that considers geological complexity and the confidence in the geostatistical estimation. In broad terms confidence is derived from surface borehole spacing and this has the largest weighting on classification of Mineral Resources:

- Borehole spacing of 250m or less supports Measured Mineral Resources
- Borehole spacing between 250m and 500m supports Indicated Mineral Resources
- Borehole spacing greater than 500m supports Inferred Mineral Resources

Mineral Resources and Ore Reserves Summary (continued)

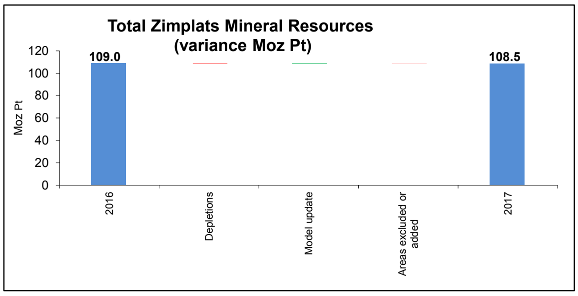
Zimplats Mineral Resources – 100% (inclusive reporting) as at 30 June 2017

Zimplats Mineral Resources (Inclusive Reporting)																
As at 30 June 2017																
Orebody		**Ngezi Portals**				**Mining Lease north of Portal 10**			**Hartley**				**Oxides - all areas**			
Category		**Measured**	**Indicated**	**Inferred**	**Total**	**Indicated**	**Inferred**	**Total**	**Measured**	**Indicated**	**Inferred**	**Total**	**Indicated**	**Inferred**	**Total**	**Total**
Tonnes	Mt	140.2	436.5	99.7	676.4	70.0	1 021.0	1 091.0	28.3	143.1	46.3	217.7	16.0	59.3	75.4	2 060.4
Width	cm	250	234	214		192	239		158	189	191		250	225		
4E Grade	g/t	3.33	3.37	3.22	3.34	3.44	3.22	3.23	4.53	3.97	3.89	4.03	3.42	3.42	3.42	3.36
6E grade	g/t	3.52	3.55	3.39	3.52	3.70	3.50	3.51	4.78	4.19	4.10	4.25	3.61	3.64	3.64	3.60
Ni	%	0.10	0.11	0.12	0.11	0.20	0.12	0.13	0.14	0.13	0.13	0.13	0.10	0.12	0.11	0.12
Cu	%	0.08	0.08	0.08	0.08	0.18	0.09	0.10	0.12	0.11	0.10	0.11	0.07	0.10	0.09	0.09
4E Oz	Moz	15.0	47.3	10.3	72.6	7.7	105.7	113.4	4.1	18.3	5.8	28.2	1.8	6.5	8.3	222.6
6E Oz	Moz	15.8	49.8	10.9	76.5	8.3	114.9	123.2	4.3	19.3	6.1	29.7	1.9	7.0	8.8	238.3
Pt Oz	Moz	7.4	23.6	5.5	36.5	3.4	50.2	53.6	2.0	9.3	3.0	14.2	0.9	3.2	4.1	108.5
Pd Oz	Moz	5.9	18.2	3.6	27.6	3.2	42.7	45.8	1.6	6.8	2.1	10.6	0.7	2.6	3.2	87.3
As at 30 June 2016																
Tonnes	Mt	145.8	466.3	72.3	684.4	70.0	1 021.0	1 091.0	28.3	143.1	46.3	217.7	16.0	59.3	75.4	2 068.4
Width	cm	250	233	200		192	239		158	189	191		250	225		
4E Grade	g/t	3.36	3.36	3.25	3.35	3.44	3.22	3.23	4.53	3.97	3.89	4.03	3.42	3.42	3.42	3.36
6E grade	g/t	3.54	3.54	3.41	3.53	3.70	3.50	3.51	4.78	4.19	4.10	4.25	3.61	3.64	3.64	3.60
Ni	%	0.11	0.11	0.12	0.11	0.20	0.12	0.13	0.14	0.13	0.13	0.13	0.10	0.12	0.11	0.12
Cu	%	0.08	0.08	0.08	0.08	0.18	0.09	0.10	0.12	0.11	0.10	0.11	0.07	0.10	0.09	0.09
4E Oz	Moz	15.7	50.4	7.5	73.7	7.7	105.7	113.4	4.1	18.3	5.8	28.2	1.8	6.5	8.3	223.6
6E Oz	Moz	16.6	53.1	7.9	77.6	8.3	114.9	123.2	4.3	19.3	6.1	29.7	1.9	7.0	8.8	239.4
Pt Oz	Moz	7.8	25.2	4.1	37.0	3.4	50.2	53.6	2.0	9.3	3.0	14.2	0.9	3.2	4.1	109.0

Mineral Resources and Ore Reserves Summary (continued)

The year-on-year reconciliation of the Mineral Resources for Zimplats shows minor reduction; this relates mostly to depletion.

Rounding-off of figures in this report may result in minor computational discrepancies. Where this occurs it is not deemed significant. Mineral Resources estimates are inherently imprecise and require the application of judgement and are subject to future revisions. The results tabulated in this report must be read as estimates and not as calculations. Inferred Mineral Resources in particular are qualified as approximations.



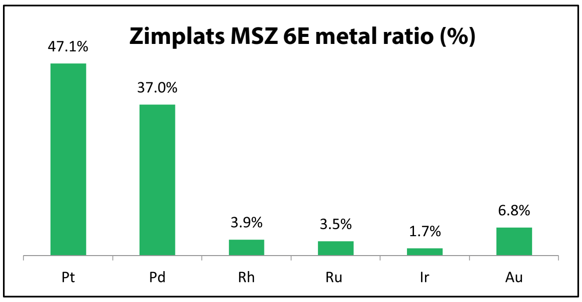
Modifying factors

The modifying factors used to convert Mineral Resources to Ore Reserves are derived from historical performance while taking future anticipated conditions into account. The following modifying factors were applied to the resources:

Key factors and assumptions

Main sulphide zone	Factors
Geological losses	5-26%
Mineral Resource area	337 million centares
Pillar factors	20-34%
Resource dilution	6-10%
Mine call factor	91%
Relative density	3.18-3.25
Resource width	236cm
Stoping width	265cm
Concentrator recoveries	80-81%

6E metal ratio (%) Main sulphide zone	
Platinum	47.1%
Palladium	37.0%
Rhodium	3.9%
Ruthenium	3.5%
Iridium	1.7%
Gold	6.8%



Mining methods and mine planning

The current mine infrastructure consists of 4 production portals, an open pit and a fifth portal under development. Mupani Mine, is being developed to replace Rukodzi and Ngwarati mines whose Ore Reserves will be depleted in FY2022 and FY2025 respectively. The deepest operating depth is approximately 310m at Portal 4 (Bimha Mine). Boundaries between individual portals are usually based on a maximum strike length of 3km for Portal 1 to 3, or are terminated on known geological discontinuities such as major faults. The strike length for Portal 4, Portal 6 and future mines will be on 6km; this improves the capital efficiencies of these mines. Minor faults and other geological discontinuities are present at the operations and are accounted for as geological losses during the Mineral Resources and Ore Reserves estimation process.

On all the underground mines, Zimplats employs a narrow reef, shallow dipping mechanised room and pillar mining method to extract ore from stopes whose nominal width is 2.5m at dips of 9 degrees or less. The trackless mechanised machinery consists of low profile single boom face rigs

Mineral Resources and Ore Reserves Summary (continued)

for drilling, low profile roof bolters for support drilling, 10t load, haul and dump (LHD) and 30t dump trucks. Mining production crews are organised into self-directed work teams (SDWT). Each SDWT is allocated about 20 rooms and its total face length is dependent on the sizes (widths) of the pillars and rooms. This enables the SDWT to adhere to a mining cycle consisting of face drilling and blasting, support installation, loading and hauling with adequate redundancy to achieve set production targets. At Rukodzi Mine and Ngwarati Mine, the broken rock is loaded onto trucks by LHD and trucked to a surface crusher. Mupfuti Mine has an underground crushing plant and ore is tipped into the crusher and conveyed to surface.

The production target for each fleet varies from 17 500 tonnes to above 20 000 tonnes of ore per month, depending on the particular mine, ground conditions and the existing pillar layout. The typical layout comprises 7m panels with the different sizes of in-stope pillars, which are determined by the depth below surface and these are surrounded by barrier pillars setting out and a 200m x 200m 'paddock'. This pillar layout is meant to contain the likelihood of cascading pillar failure should in-stope pillars fail. Ngwarati and Rukodzi Mines do not have barrier pillars nor paddocks owing to their shallow depth below surface.

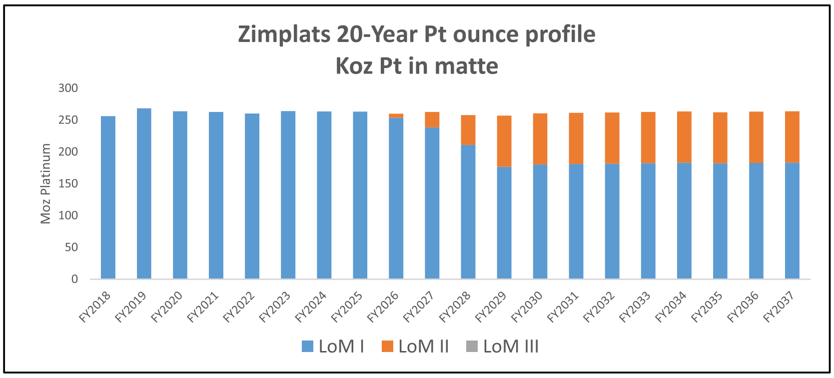
At all the portals, the spans of rooms may decrease and pillar dimensions may increase in bad ground. A combination of roof bolts and tendons is integral to the support design.

In FY2015, there was extensive support pillar failure that led to cascading collapse of a larger footprint, which was initiated in the deeper sections of Bimha Mine. This was mainly attributed to the influence of a low angle shear that is prevalent at the mine. The shear undulates between the hanging wall and foot wall of the reef horizon and has a deleterious effect on pillar strength, which contributed to this collapse. Geotechnical investigations carried out by independent geotechnical consultants recommended a new pillar layout that will stop the likelihood of cascading pillar failure. The new pillar layout was adopted at Mupfuti and Bimha mines and will be used for all new projects which Zimplats develops in the future. The extraction ratio based on the new pillar layout is below 70%, compared to above 80% on the old pillar layout. The various extraction percentages in the mines are reflected in the Ore Reserve estimates.

Bimha Mine redevelopment is on target and all redeployed teams are set to return to Bimha Mine as per the redevelopment schedule. The mine will achieve its design production volumes in April 2018 and the South Pit Mine will subsequently be shut down.

A minimum combined production of 6.2Mtpa will be sustained beyond the next 30 years as Mupani Mine, a 2.2Mtpa mine, is on course to replace the mature Rukodzi and Ngwarati mines. The mining envelopes for the trackless operations have been increased from 3km on strike to 6km as Mupani Mine will take up the production volumes for both mines. The production from Mupani Mine is meant to feed ore to the SMC concentrator.

Portal 8 is next in line and evaluation work on this project is set to begin in FY2018. The distribution of the Ore Reserves across the Portals is depicted in the accompanying 20-year LoM graphs. The Hartley Mine is presently on care and maintenance and provides additional opportunity for future production.



Mineral Resources and Ore Reserves Summary (continued)

LoM Level III includes "Blue Sky" and scoping studies and therefore focuses mainly on Inferred Resources and exploration results. It also includes contiguous areas and opportunities outside existing lease boundaries and ownership. Valuation of these resources can only be done internally, to justify expenditure for the upgrading of the Inferred Resources. LoM Level II includes planned but as yet unapproved projects, which have a reasonable chance of future board approval. LoM Level I includes operational portals and approved capital projects where a portion of Ore Resources is converted to Ore Reserves and sufficient confidence exists for the declaration of Mineral Reserves in a public report. To this effect no Inferred Mineral Resources are included in LoM I.

Ore Reserves estimation and reconciliation

The Zimplats Ore Reserves statement as at 30 June 2017 is shown below. The Ore Reserves quoted reflect anticipated grades delivered to the mill.

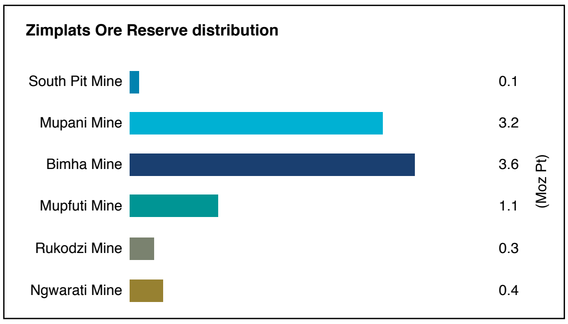
The conversion and classification of Ore Reserves at Zimplats is informed by:

- Feasible mine plan and project studies, board approval and available funding
- Economic testing at given market conditions (price deck)
- Indicated Mineral Resources can be classified as Probable Ore Reserves if the mine plan, board approval, funding and economic test is passed
- Measured Mineral Resources can be classified as Proved Ore Reserves if the mine plan approval, funding and economic test is passed
- In certain exceptional circumstances the competent Person may elect to convert Measured Mineral Resources to Probable Ore Reserves if the confidence in the modifying factors is being confirmed
- No Inferred Mineral Resources are converted to the Ore Reserve category

Zimplats Ore Reserves

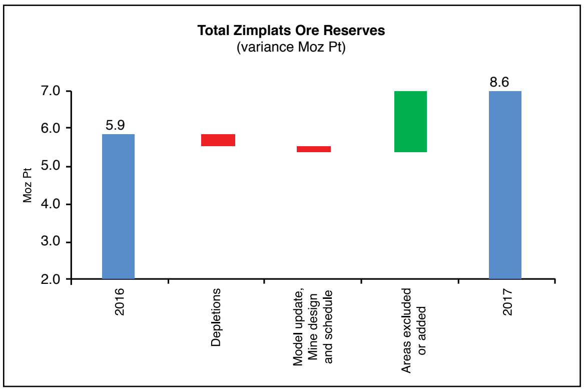
As at 30 June 2017				
		Proved	**Probable**	**Total**
Tonnes	Mt	63.6	101.5	165.1
Width	cm	266	265	
4E Grade	g/t	3.25	3.26	3.25
6E grade	g/t	3.43	3.44	3.43
Ni	%	0.10	0.09	0.10
Cu	%	0.07	0.08	0.08
4E Oz	Moz	6.6	10.6	17.3
6E Oz	Moz	7.0	11.2	18.2
Pt Oz	Moz	3.3	5.3	8.6
Pd Oz	Moz	2.6	4.1	6.7
As at 30 June 2016				
		Proved	**Probable**	**Total**
Tonnes	Mt	51.3	60.1	111.5
Width	cm	276	275	
4E Grade	g/t	3.31	3.31	3.31
6E grade	g/t	3.50	3.49	3.50
Ni	%	0.10	0.10	0.10
Cu	%	0.07	0.07	0.07
4E Oz	Moz	5.5	6.4	11.9
6E Oz	Moz	5.8	6.8	12.5
Pt Oz	Moz	2.7	3.2	5.9

The distribution of Ore Reserves at the different mines is shown below, indicating the varying sizes and remaining production potential.



Mineral Resources and Ore Reserves Summary (continued)

The year-on-year reconciliation of the Ore Reserves at Zimplats shows a large increase due to the conversion of Mupani Mine to the Ore Reserve category.

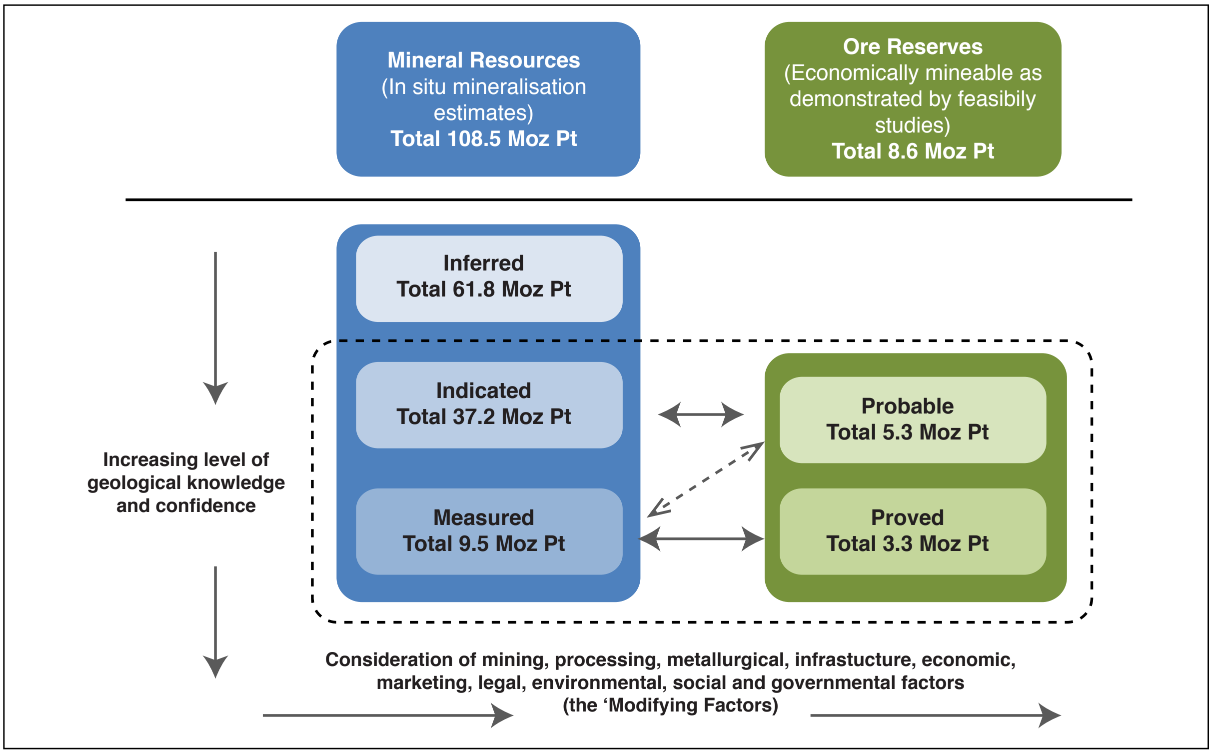


Mining of steeps

Zimplats is currently carrying out trials aimed at finding a method of efficiently mining the steep Mineral Resources (with a dip of more than 9°) using trackless mining machinery. If the trials are concluded and a suitable method is found, this will enable conversion of the steep Mineral Resources into Ore Reserves.

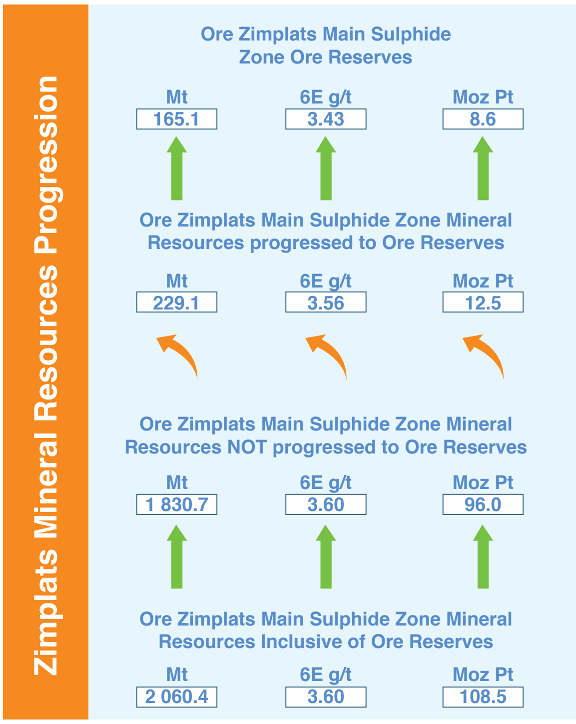
The transparent Mineral Resources progression for Zimplats is illustrated on the previous page, including a summary below of the total Mineral Resources ("inclusive" of Ore Reserves), that part of the Mineral Resources that is not progressed to Ore Reserves ("exclusive" style reporting),

Relationships between Mineral Resources and Ore Reserves as at 30 June 2017



Mineral Resources and Ore Reserves Summary (continued)

the part of the Mineral Resources that is progressed to Ore Reserves and also the Ore Reserves.



Compliance

Zimplats Mineral Resources and Ore Reserves are estimated and reported in accordance with the Implats code of practice for the estimation, classification and reporting of Mineral Resources and Ore Reserves. The code of practice is an Implats Group-wide protocol that seeks to provide more prescriptive guidance than the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the Joint Ore Reserve Committee Code (JORC Code), 2012 Edition. Zimplats Mineral Resources and Ore Reserves also meet the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts reports, the VALMIN Code, 2005 edition.

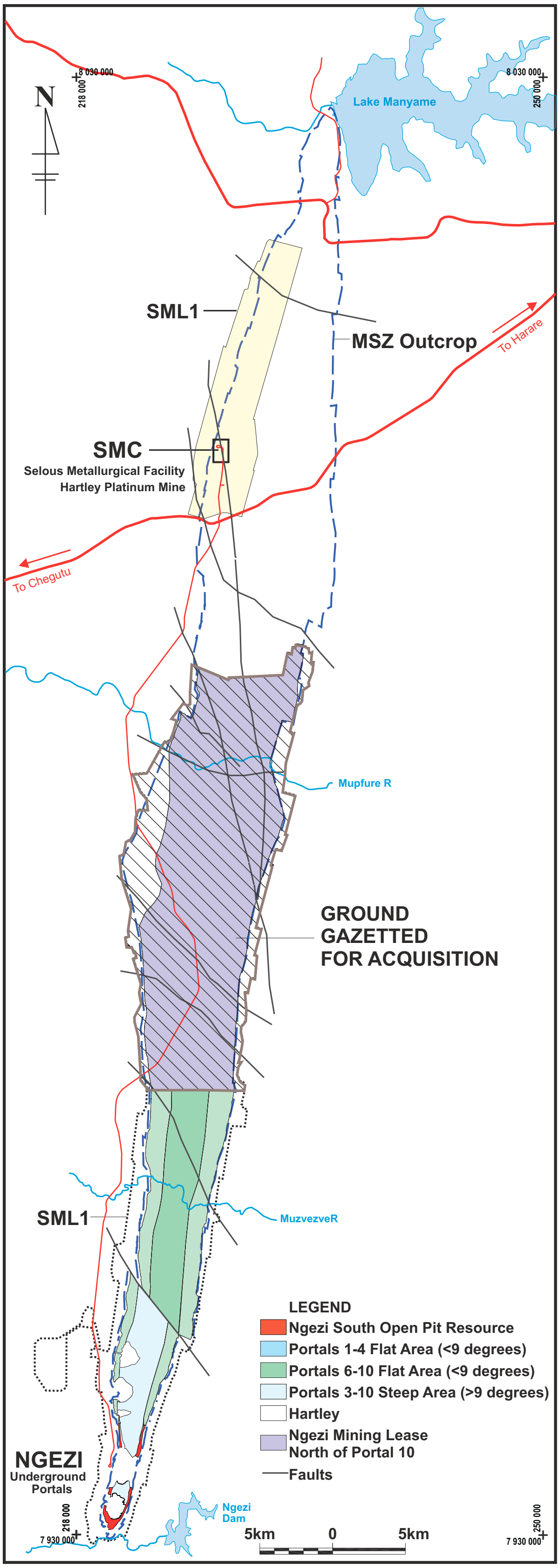
The Lead Competent Persons designated in terms of the JORC Code, who took responsibility for the reporting of Mineral Resources and Ore Reserves as of 30 June 2017, are Steven Duma, (Pr. Sci. Nat), AusIMM and Caston Mutevhe, (Pr. Eng) ECSA, SAIMM who are full-time employees of Zimplats. Steve is responsible for Mineral Resources and has 20 years of experience in mining and exploration of which 8 years have been in platinum in Zimbabwe and South Africa. Caston is responsible for Ore Reserves and has 23 years of experience in mining of which 8 years have been in the platinum mining industry in Zimbabwe.

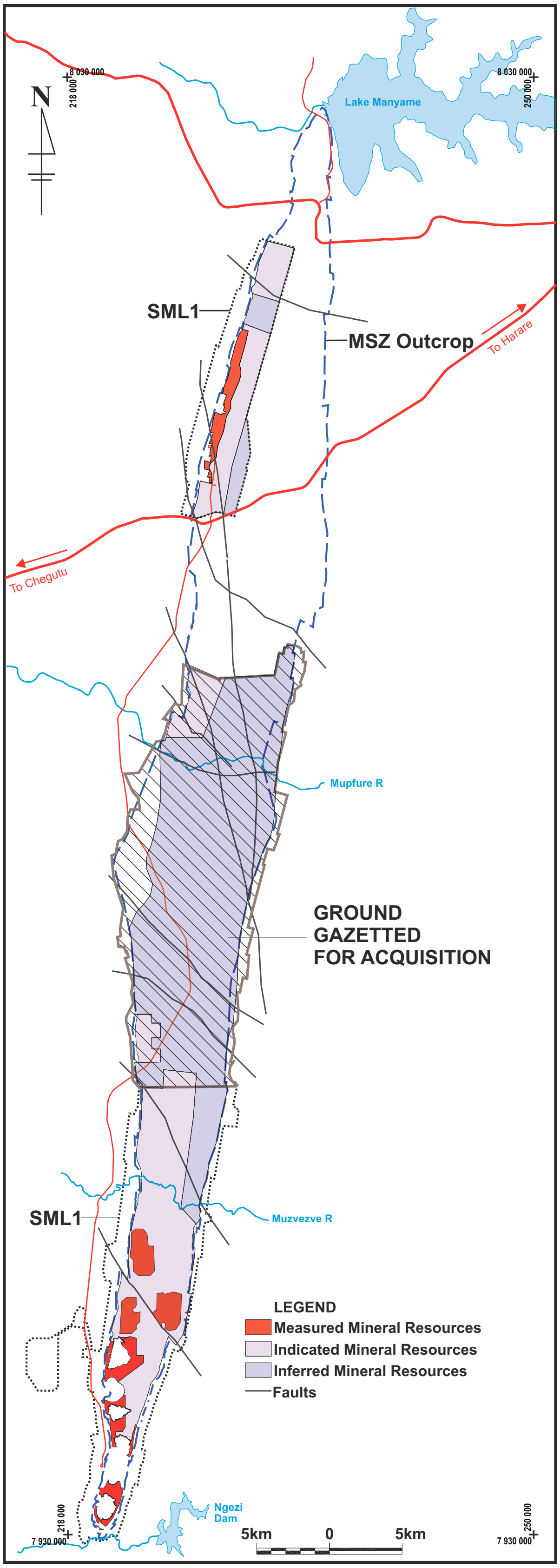
Mineral Resources and Ore Reserves Summary (continued)

Notes

- Zimplats' standard is to report Mineral Resources inclusive of Ore Reserves.
- The Ore Reserves figures are estimated based on the diluted grades delivered to the processing plants.
- There are no Inferred Mineral Resources included in the Ore Reserves at Zimplats, only Measured and Indicated Mineral Resources are converted into Ore Reserves.
- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The Mineral Resources and Ore Reserves in this statement are based largely on Genalysis nickel sulphide collector fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied which mean that there may be slight variances in recovery and other parameters.
- Mineral Resources have been estimated using Kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.
- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is, however, believed that the choice of mining cut is robust under a wide range of pricing conditions.
- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Ore Reserves and Mineral Resources. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.
- The maximum depth of these Mineral Resources is 1250m and no part is more than 5km down dip from outcrop therefore any part is theoretically accessible to mining within a 10-15 year time frame.
- Zimplats' Mineral Resources are held under SML1, the first 25 year period which expires in August 2019. The agreement allows for two extensions of 10 years each.
- The Mineral Resources estimates provided in this report include those in the ground gazetted for acquisition by the Government of Zimbabwe.
- The Mineral Resources and Ore Reserves tabulated in this report are estimates and not calculations. They are subject to a wide range of factors, some of which are outside the Group's control, which include:
  - The quality and quantity of available data. Estimates are based on limited sampling and, consequently, there is uncertainty as the samples may not be representative of the entire ore body and Mineral Resources.
  - The quality of the methodologies employed.
  - Economic conditions and commodity prices.
- Geological interpretation and the judgement of the individuals' involved. Changes in these factors along with developments in the understanding of the ore body and changes in recovery rates, production costs and other factors may ultimately result in a restatement of Ore Reserves and/or Mineral Resources and may adversely impact future cash flows.
- To mitigate this risk the Group appoints independent 3rd parties to review the Mineral Resources and Ore Reserves estimates on a regular basis and mining project feasibilities studies are subject to independent review prior to requesting the board for capital approval.
- Rounding-off of numbers may result in minor computational discrepancies.

Mineral Resources and Ore Reserves Summary (continued)





Coordinate system : UTM Zone 36K (Arc 1950 Datum)

Plan of Ore Reserves and Mineral Resources

CAT
773F
JRG

Total of US$14 million

RBZ export incentive was recognised in the year.

US$86 million

paid to the Government of Zimbabwe in respect of corporate tax, additional profits tax, royalties, payroll taxes and customs duties for the period increased from US$62 million in FY2016.

GOVERNANCE REPORTING

ASX Announcements

Zimplats has promptly informed stakeholders, through announcements to the Australian Stock Exchange (ASX), of matters that may affect the Company's share price. The publication of quarterly and other reports has kept stakeholders informed of major developments within the Group.

Key announcements have included the following:

29 July 2016	Quarterly activities report for the quarter ended 30 June 2016
11 August 2016	ASX price query and Zimplats response
31 August 2016	Release of integrated annual report 2016
31 August 2016	Appendix 4E Preliminary Final Report for year ended 30 June 2017
2 September 2016	Retirement of Mr Muchadeyi Ashton Masunda and Dr Khotso David Kenneth Mokhele as directors
18 October 2016	Results of annual general meeting
19 October 2016	Appointment of Dr Dennis Shoko and Mr Alec Muchadehama as directors and resignation of Mr Leslie John Paton
28 October 2016	Quarterly activities report for the quarter ended 30 September 2016
30 November 2016	Approval of new underground mine
1 December 2016	Reserve Bank of Zimbabwe debt
9 January 2017	Retraction of statement
31 January 2017	Quarterly activities report for the quarter ended 31 December 2016
1 February 2017	Employee share ownership trust
6 February 2017	Resignation of Mr Terence Goodlace as a director
23 February 2017	Release of results for the half-year ended 31 December 2016
23 February 2017	Appendix 4D - half-year report
26 April 2017	Quarterly activities report for the quarter ended 31 March 2017
1 May 2017	Appointment of Mr Nicolaas Muller as a director
31 July 2017	Quarterly activities report for the quarter ended 30 June 2017

Corporate Governance Report

The King III Report on Corporate Governance for South Africa (King III) was applicable to the Company during the reporting period and the Company discloses in this corporate governance report its application of the King III recommendations. The King IV Report on Corporate Governance for South Africa (King IV), released in November 2016, is effective for financial years from 1 April 2017. The Company's majority shareholder, Implats, has adopted the new King IV code and the Company will be considering the adoption of the new code.

Implats holds 87% of the Company's issued shares. As a foreign subsidiary of a South African company, King III requires that Zimplats considers and, where practicable, implements the recommendations made in the report with an 'apply or explain' approach. Where appropriate, non-compliance has been disclosed and explained in this report. Essentially the King III recommendations place additional responsibilities on the board, management and stakeholders as well as expanding the extent of disclosures in the integrated annual report, giving greater credence to transparency.

The Company also has an obligation to comply with the requirements of the ASX Corporate Governance Principles and Recommendations, Third Edition. The Company has complied with the requirements of the ASX Corporate Governance Principles and Recommendations, except where explanations have been provided.

Wherever practicable and appropriate, and considering the nature and scale of operations, the Company will consider and, if deemed appropriate, adopt the governance and compliance policies of the controlling shareholder, with suitable modifications.

BOARD OF DIRECTORS

The board is cognisant of the important role that corporate governance plays in the delivery of sustainable growth, and fully supports the highest levels of governance standards by ensuring that solid and sustainable governance processes and structures are in place.

The board is committed to the principles of openness, integrity and accountability in dealing with all stakeholders. In this regard, the board believes that for the full duration of the year under review the Group's policies and practices have complied in all material respects with corporate governance 'best practice', including the King III principles and the ASX Corporate Governance Principles and Recommendations, Third Edition, save as stated herein. Non-executive directors are paid a cash fee only and they do not receive any equity based remuneration, bonus payments or retirement benefits. Recommendation 8.3 of the ASX Corporate Governance Principles and Recommendations is therefore not applicable.

The board fully recognises its responsibilities for setting the Company's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship. The board meets at least six times a year. Apart from the four quarterly board meetings, a strategy planning session is held annually with the executive management team and a separate meeting is devoted to reviewing the

Corporate Governance Report (continued)

annual budget and business plan. One-third of the board members retire by rotation at the annual general meeting of the Company, and members retiring by rotation may put themselves forward for re-election.

The responsibilities of the board are defined in a board charter, which defines the rights, obligations, responsibilities and powers of the board. A board approval framework is in place, which identifies materiality thresholds on matters delegated by the board to board committees and senior executives, in addition to those matters reserved to the board. The Company has a written agreement with each director and senior executive setting the terms of their appointment.

In order for the board to discharge its responsibilities in setting strategic direction and providing leadership, the board has established the following committees:

- audit and risk committee
- remuneration committee
- safety, health, environment and community (SHEC) committee

Each committee chairperson reports on the proceedings of his/her committee at the quarterly board meetings. The chairpersons of each of these committees are encouraged to attend the annual general meeting to answer questions from shareholders.

These committees operate under board approved terms of reference which are reviewed by the board annually and which have been amended to take into account the requirements of King III, and which set out the role, responsibilities, scope of authority, composition and procedures for reporting to the board.

The board considered appointing a nominations committee to help ensure that the effectiveness and composition of the board and its committees are regularly reviewed, meet sound governance dictates and comprise the requisite mix of skills. With an 87% controlling shareholding, board nominations are the prerogative of Implats, which itself has a rigorous nominations procedure to which Zimplats nominees are subjected. Therefore, the board considers it unnecessary to form a separate nominations committee. The Company does not therefore fully meet the requirements of either King III or Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations with regard to the appointment of a nominations committee.

From a corporate governance perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either King III or Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations, which stipulate that the majority of directors should be independent. Details of board members appear on pages 12 to 14. The board has a programme for inducting new directors in order to familiarise them with the Zimplats operations, its business environment and the sustainability issues relevant to the business.

The board currently comprises nine members, made up as follows:

	Implats Nominee	Independent	Non-Executive	Executive
F S Mufamadi	•		•	
A Mhembere				•
S M Mangoma				•
B Berlin	•		•	
A Muchadehama		•	•	
N J Muller	•		•	
D S M Shoko		•	•	
Z B Swanepoel	•		•	
N P S Zhou		•	•	
Totals	4/9	3/9	7/9	2/9

Corporate Governance Report (continued)

Dr F S Mufamadi, a non-executive director, was appointed as chairman with effect from 1 July 2015. Mr A Mhembere is an executive director and the chief executive officer. The roles of the chairman and chief executive officer are therefore distinctly separate. The chairman is however not independent as he is an Implats nominee. In this regard, the Company does not therefore fully meet the requirements of either King III or Recommendation 2.5 of the ASX Corporate Governance Principles and Recommendations.

Mr Muchadehama, Dr Shoko and Mr Zhou are considered to be independent as they:

- are not substantial shareholders in the Group
- have not been employed by the Group within the last three years
- have not had a material contractual relationship within the Group, either directly or indirectly, other than as a director
- are not material suppliers or customers within the Group or officers of or otherwise associated with a material supplier or customer.

Attendance at board meetings during the year under review, including conference call meetings, is detailed below:

Attendee	Attended	August 2016	November 2016	March 2017	May 2017
F S Mufamadi	3/4	•	Ap	•	•
M A Masunda*	1/4	•	N/A	N/A	N/A
A Mhembere	4/4	•	•	•	•
S M Mangoma	4/4	•	•	•	•
B Berlin	4/4	•	•	•	•
T P Goodlace**	1/4	•	Ap	N/A	N/A
K D K Mokhele***	1/4	Ap	N/A	N/A	N/A
A Muchadehama+	3/4	N/A	•	•	•
N J Muller++	1/4	N/A	N/A	N/A	•
L J Paton****	1/4	•	N/A	N/A	N/A
D S M Shoko+	3/4	N/A	•	•	•
Z B Swanepoel	4/4	•	•	•	•
N P S Zhou	4/4	•	•	•	•

Ap = Apology

N/A = Not applicable; was no longer a director or had not been appointed a director

* Retired on 14 October 2016

** Resigned on 1 February 2017

*** Retired on 14 October 2016

**** Resigned on 17 October 2016

\+ Appointed on 17 October 2016

++ Appointed on 1 May 2017

The board has in place a process of board and retiring director performance evaluations. The evaluation cycle adopted is every two years as opposed to annually as recommended by King III as the board considers that the extended period between evaluations will allow for a more reasonable assessment of performance. In line with the cycle, evaluations were undertaken in the first quarter of FY2016.

C. L. Secretaries Limited, a company incorporated in Guernsey, is the company secretary for the Company.

C. L. Secretaries Limited is accountable to the board on matters to do with the proper functioning of the board.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

The board considers that a separate risk committee would not add value and that the risk overview function is adequately addressed by having expanded the terms of reference of the audit committee to encompass matters of risk. The audit and risk committee operates in accordance with formal terms of reference that have been reviewed for King III compliance and that are annually reviewed and approved by the board. The terms of reference are posted on the Company's website.

Corporate Governance Report (continued)

The audit and risk committee assists the board in fulfilling its corporate governance and oversight responsibilities by reviewing and making recommendations on the following:

- The financial, business risk and information technology reporting processes and governance
- The risk management systems, both financial and non-financial
- The systems and adequacy of internal controls and safeguarding of the Group assets
- The integrity of the financial statements, integrated annual report and sustainability report
- The internal and external audit process
- The appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness
- Regulating the use of external auditors for non-audit duties
- The Group's process for monitoring compliance with relevant laws and regulations.

The committee is satisfied that it has adequately discharged its responsibilities in the past financial year.

The combined assurance model is now well embedded throughout the business. The model assists in facilitating, integrating and aligning the various assurance processes in the Group to maximise risk and governance oversight and control efficiencies which, in turn, increases the overall level of assurance to the audit and risk committee.

The committee has the authority to conduct or authorise investigations into any matters within its scope of responsibilities.

During the year under review, the audit and risk committee was composed of three members, two of whom are independent non-executive directors and one of whom is the Implats chief finance officer. This is contrary to the King III recommendation that all members are independent and arises from the controlling interest of the majority shareholder.

The board appoints committee members and the chairman of the audit and risk committee from amongst the directors. The board considers that members are suitably qualified to perform their roles and that members bring a sufficient mix of appropriate experience and skills to the committee to enable it to satisfactorily carry out its function.

Details of the committee's members and their qualifications are reported on pages 12 to 14.

The chairman of this committee is an independent non-executive director who is considered to have the appropriate qualifications and expertise to effectively carry out this role. The audit and risk committee meets four times a year. Attendance during the year under review was as follows:

Attendee	Capacity	Attended	August 2016	October 2016	February 2017	April 2017
N P S Zhou	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	4/4	•	•	•	•
M A Masunda*	Independent	1/4	•	N/A	N/A	N/A
A Muchadehama+	Independent	3/4	N/A	•	•	•

N/A = Not applicable; was no longer a director or had not been appointed a director

* Retired as a director on 14 October 2016

\+ Appointed as a director on 17 October 2016

Corporate Governance Report (continued)

REMUNERATION COMMITTEE

During the year under review, save for the first quarter of the financial year when there were three members, this committee consisted of two members, both of whom were independent non-executive directors of the Company. The committee operates in accordance with formal terms of reference that have been reviewed for King III compliance and that are annually reviewed and approved by the board.

The chairman of the board and the chief executive officer are standing invitees to all meetings, except when their own remuneration is under consideration. The committee assists the board by reviewing and making recommendations in the following main areas:

- Establishing performance objectives for executive directors
- Benchmarking remuneration practices against both local and international best practice
- Reviewing of performance and remuneration of executive directors and senior management
- Ensuring the effectiveness of the succession planning and talent management process
- Making recommendations to assist management to achieve established objectives
- Making recommendations to the board on fees for non-executive directors.

The remuneration committee meets four times a year. Attendance during the year under review was as follows:

Attendee	Capacity	Attended	Aug 16	Nov 16	Mar 17	May 17
K D K Mokhele*	Independent	1/4	•	N/A	N/A	N/A
L J Paton**	Independent	1/4	•	N/A	N/A	N/A
A Muchadehama+	Independent	3/4	N/A	•	•	•
N P S Zhou	Independent	4/4	•	•	•	•

N/A = Not applicable; was no longer a director or had not been appointed a director

* Retired as a director on 14 October 2016

** Resigned as a director on 17 October 2016

+ Appointed as a director on 17 October 2016

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) COMMITTEE

The role of this board-appointed committee is to monitor and review the various pillars of sustainability: safety, health, environmental and community (SHEC) performance and standards. The committee operates in accordance with a mandate that has been reviewed for King III compliance and approved by the board.

The committee gives support, advice and guidance on the effectiveness of management's efforts on SHEC matters. The primary function of the committee is to:

- Review the adequacy and appropriateness of the SHEC systems, codes of practice, policies and procedures of the company
- Monitor SHEC performance against predetermined goals, standards and international norms
- Monitor the SHEC management function and recommend improvements when considered necessary
- Institute investigations into matters where inadequacies are identified.

For most of the year under review the SHEC committee consisted of two members, both of whom are independent non-executive directors. Members of executive management are standing invitees to the committee's meetings. Dr J C Andrews, a member of the operating subsidiary's board and the Implats group executive responsible for SHEC matters, is also a standing invitee to the committee's meetings.

Corporate Governance Report (continued)

The committee meets four times a year. Attendance at meetings during the year was as follows:

Attendee	Capacity	Attended	Aug 16	Nov 16	Feb 17	May 17
Z B Swanepoel	Implats Nominee	4/4	•	•	•	•
L J Paton*	Independent	1/4	•	N/A	N/A	N/A
T P Goodlace**	Implats Nominee	1/4	•	Ap	N/A	N/A
D S M Shoko+	Independent	3/4	N/A	•	•	•

Ap = Apology
N/A = Not applicable; was no longer a director or had not been appointed a director
* Resigned as a director on 17 October 2016
** Resigned as a director on 1 February 2017
+ Appointed as a director on 17 October 2016

KEY MANAGEMENT COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

Responsibility for implementing board policy and for overseeing the day-to-day management of the operating subsidiary vests with EXCO whose membership consists of:

- Alexander Mhembere: Chairman
- Stanley Segula: Managing Director
- Stewart Mangoma: Chief Finance Officer
- Takawira Maswiswi: Human Resources Director
- Amend Chiduma: General Manager – Engineering
- Sibusisiwe Chindove: Head of Corporate Affairs
- Lysias Chiwozva: Risk and Strategy Manager
- Garikai Bera: Legal Counsel and Company Secretary

Reporting into EXCO are a number of other committees that are responsible for various aspects of the business, specifically, operations (the operations committee), finance (the finance committee), people (the people committee) and engineering and projects (the technical committee).

The responsible member of EXCO chairs each of these committees, with membership drawn from appropriate executives and senior managers.

In addition to these functional committees, there are also the following specialist management committees:

Project Steering Committee

This committee has been established in order to ensure that all technical and commercial aspects of the planned expansions are subject to a high degree of scrutiny and review, so as to ensure the feasibility of proposed expansions. This includes ensuring that all aspects of proposed expansions are subject to a full independent third party review. The committee is chaired by the General Manager – Engineering. A senior executive of Implats responsible for project planning and implementation is a member of this committee. Representatives from the operating subsidiary, and also from Implats as required, sit on this committee and review ongoing progress in respect of all matters relating to expansion projects. The committee meets regularly as required by the progress of the various aspects.

Capital Steering Committee

The principal role of this committee is to consider and assess, for approval or recommendation to the board, all applications for both growth and stay-in-business capital expenditure. The committee operates within an approval framework and is mandated to approve expenditure to certain limits beyond which board approval is required. The General Manager – Engineering is chairman of the committee. Membership comprises executives from a variety of disciplines within the operating subsidiary's operations and an Implats representative is also a member.

Procurement Committee

The procurement committee operates to terms of reference and is tasked with implementing procurement best practice and company policy on identified and approved procurement objectives. The committee is responsible for adjudicating and awarding procurement contracts and tenders, with all contracts awarded in excess of US$1 million being reported at board level. The committee is chaired by the Chief Finance Officer with two Zimplats executives and one Implats executive as members.

Corporate Governance Report (continued)

REMUNERATION REPORT

The philosophy of the Group is that it does not discriminate on the basis of race, religion, sex or disability and is committed to providing equal opportunities, safe working conditions and attractive remuneration to staff. Policies on employment have been developed to suit prevailing conditions.

The operating subsidiary endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems that operate throughout the organisation, including an incentive scheme that is directly linked to key performance fundamentals for the Group.

The Group is an equal opportunity employer but does have a target of achieving a workforce complement of 10% women with representation across all levels, including the board, where currently one member (11%) is a woman. There is currently one woman at senior executive level (E band on the Paterson job grading system) out of 23. Currently the Group employs 215 women (2016: 210) and continues to work towards achieving the stated target.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors are paid a cash fee only and they do not receive any equity based remuneration, bonus payments or retirement benefits.

The current approved annual aggregate limit of fees that can be paid to non-executive directors is US$600 000 which was approved by shareholders in 2012. The non-executive directors' annual board fees for the Group for the year were set at the following:

Board fee	2017 US$
Chairman	76 950
Deputy Chairman	52 820
Directors	38 475

Committee fees are payable based on attendance and for the year to 30 June 2017 these were as follows:

Committee fee	Audit and Risk US$	Remuneration and SHEC US$
Chairman	21 010	19 213
Member	10 974	10 477

Board fees are not based on attendance. In the opinion of the board, the high level of interaction and consultation required on a continuous basis is such that regular and frequent application of thought to Company matters is required. The fees paid during the year are within the limit approved by shareholders in 2012.

Non-executive directors' remuneration for the Group for the year was split as follows:

Total remuneration	2017 US$	2016 US$
Board Fees	297 799	343 182
Audit and Risk Committee Fees	42 964	41 204
SHEC Committee Fees	29 688	30 470
Remuneration Committee Fees	25 755	36 166
Total	**396 206**	**451 022**

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Group that executive directors and senior managers receive an annual base salary. In addition, a housing loan scheme which is governed by carefully managed rules is in place. Educational allowances are paid to predetermined levels, and full use of a company vehicle is provided, as is medical aid cover for the executives and senior management and their immediate families. A defined contribution pension scheme was set up during the year for executives and senior management.

In addition and subject to the attainment of specific 'on target' performance goals, a performance incentive bonus is provided for each manager amounting to a maximum of 56% of basic annual salary in the case of the executive directors and E band managers and 43% in the case of D band managers.

Corporate Governance Report (continued)

Depending on the level of seniority, the constituent parts of the bonus incorporate a relative weighting for corporate targets, production and cost targets, safety performance and individual key performance measures. The performance of senior executives and managers was evaluated in accordance with the rules of the scheme during the course of the period.

The board has considered carefully the requirements of King III and Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations, Third Edition in relation to the disclosure of the remuneration for specific persons, and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

The retention of skills and the risk of a loss thereof remains a real threat for Zimplats. Accordingly the board is not willing to disclose details of the remuneration and associated benefits paid to individuals on the executive team. The board believes that the remuneration paid to board members and executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe. The Company does, however, make the following aggregate disclosure with respect to the remuneration of executive directors and key management personnel, a total of 23 people (2016: 21):

	2017 US$ 000	2016 US$ 000
Executive directors and senior managers	9 852	8 091

LONG-TERM INCENTIVES

It is essential to retain critical skills over the longer term and to motivate and incentivise employees in a way that also aligns the interest of senior managers with those of shareholders, which is principally done through long-term incentive plans.

In view of the limited free-float availability of Zimplats' shares on the ASX, the board considers it inappropriate that executive directors and senior managers should be incentivised with such shares, and has instead introduced a scheme whereby they are incentivised on the basis of the allocation of shares and notional shares in the ultimate majority shareholder, Implats.

It was reported previously in 2012 that the long-term incentive share appreciation reward scheme (SARS) was under review as it was not related to specific performance conditions. To comply with King III corporate governance principles and remuneration best practice, it was decided to phase out the SARS in favour of a long-term incentive plan (LTIP).

Share Appreciation Reward Scheme (SARS)

The SARS is a cash-settled share appreciation rights plan that confers the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of surrender of the notional share. Participants receive once-off allocations under the scheme, expressed as a multiple of their salary which is topped-up as awards vest. The rights vest in equal tranches from year two through to year five and lapse ten years after the grant date.

Long-term Incentive Plan (LTIP)

The LTIP was introduced in FY2013, and comprises both a conditional share plan (CSP) and a share appreciation rights plan (SAR). In terms of the SAR, conditional rights will be awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting period will apply, during which time the participants will have no rights in respect of the underlying shares. Vesting will be conditional on continued employment and a prescribed level of corporate performance. The participants will only be entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants will only become shareholders following the exercise of the SARs.

In terms of the CSP, fully paid shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted

Corporate Governance Report (continued)

conditional rights to acquire these shares at a future date, and will only become shareholders with dividend and voting rights from vesting onwards. For the shares to vest participants must remain employed by the Group and for certain participants vesting of the shares will be subject to the achievement of defined Implats performance vesting conditions over the performance period.

The LTIP complies with the requirements of King III and emerging remuneration best practice in relation to share – based incentives.

RISK MANAGEMENT

The Group has adopted a policy on risk management which ensures an integrated approach to the management of risk in order that it becomes embedded in all business activities, and is more fully explained on page 46 of the report.

A risk-based approach is applied as an integral part of strategic and operational planning, including that of projects. Operationally, line managers take full responsibility for the processes and all risks under their control. The risk management processes and systems are in line with internationally recognised best practice, and are able to assess all internal and external forms of business risk. During the year, the board reviewed and approved the risk tolerance and appetite levels related to strategic issues.

The board is ultimately responsible for risk management and regularly reviews the strategic risks and assesses the effectiveness of the executive team's application of risk management. Risk is a standard agenda item on board and management meetings, with the board and audit and risk committee routinely apprised of the inherent risks and state of risk-management controls.

The board committees, external specialists and the internal and external audit functions assist the board in providing independent assurance on the effectiveness of the management controls that are in place. The audit and risk committee receives reports on the combined assurance model. This model seeks to integrate and coordinate the various assurance processes that exist within the Group and provides a higher level of independent assurance to the board on matters of compliance and risk management.

From an internal control perspective, all accounting and administrative control systems are designed to provide reasonable assurance that the Group's accounting records accurately reflect that all transactions are executed and recorded in accordance with sound business practices, that assets are safeguarded and that protection is provided against serious risk of error or loss in a cost-effective manner.

A delegated authority approval framework is in place, which enables employees to operate and act within clearly defined and communicated parameters.

Conventional insurance policies sufficient for the size and nature of the Group's business provide additional cover and protection.

While under continuous review and improvement, the board is satisfied that the risk management and compliance processes that are in place are adequate to address the known risks and issues faced by the Group.

The risk management policy is available on the Company's website.

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report on pages 44 to 69.

CODE OF ETHICS

Zimplats is committed to the highest ethical standards in all its dealings with all stakeholders and to this end has adopted a code of ethics with a zero tolerance stance on corruption, to which all directors, employees and suppliers are expected to adhere.

Corporate Governance Report (continued)

On joining the Group, all employees are required to sign a copy of the code of ethics and fraud policy. The policies provide clear guidance on business and personal conduct, conflicts of interest, the prevention of the dissemination of Group information, the acceptance of donations and gifts and the protection of the intellectual property and patents of the Group. Group policy prohibits political donations either directly or indirectly. The policy provides a channel through which breaches of the code can be dealt with without fear of victimisation, and outlines the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. Executive and line management are responsible and accountable for the implementation of the code of ethics, fraud policy and resultant procedures.

In order to further promote ethical behaviour and assure confidentiality, the Group subscribes to an independent and anonymous "whistle-blower" programme administered by Deloitte & Touche and monitored by internal audit. Internal security systems provide a further avenue of information relating to ethical behaviour.

A number of allegations were reported during the year. In line with the fraud policy all reported allegations are fully investigated and, for tracking purposes, a register is maintained. A total of 13 allegations were reported and only two were confirmed as relating to unethical practices.

An analysis of reports follows:

	2017	2016
Number of reports received	13	29
Number of employee dismissals	2	4
Number of rewards paid out	2	11
Total value of rewards paid out	US$600	US$3 300

The code of ethics is available on the Company's website.

DEALINGS IN SECURITIES

The Company observes a closed period, from the end of the relevant accounting period to the announcement of the interim or year-end results, as the case may be, during which neither directors nor officers may deal, either directly or indirectly, in the shares of the Company or its listed majority shareholder. Outside of any closed periods, the prior written approval of the chief executive officer is required in order to deal in the said shares.

The securities trading policy is available on the Company's website.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

As guided by the Company's communication policy, shareholders, investors, analysts, the media, the market and employees are kept fully and timeously informed of all developments in the Group through a variety of means, including:

- Engaging pro-actively and constructively with various stakeholders including shareholders, government bodies, labour organisations and non-governmental organisations, including briefings and the hosting of visits to the Group's operations.
- The timely and balanced continuous disclosure to the Australian Stock Exchange, with subsequent posting on the Company's website, of all material matters concerning the Group. The chief finance officer has primary responsibility for ensuring that the Company complies with its disclosure obligations in terms of the Listing Rules.
- Designating authorised spokespersons within the Group as the only employees who may communicate with the media or other external parties, in relation to matters subject to the continuous disclosure policy.

Audit and Risk Committee Report

Introduction

The audit and risk committee presents its report for the financial year ended 30 June 2017.

The duties of the committee are delegated by the board and the role of the committee is governed by formal board approved terms of reference which are reviewed annually and which comply in all material respects with the King III Report on Corporate Governance and the ASX Corporate Governance Principles and Recommendations, Third Edition. Details of the membership, objectives and corporate governance practices of the committee can be found on pages 87 to 94 of this integrated annual report.

Activities

The committee has discharged all its responsibilities as contained in the terms of reference and is satisfied that it has fulfilled its obligations in respect of its areas of responsibility. The following activities were, amongst other activities, performed in the year:

- Reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes
- Reviewed the reports of both internal and external auditors and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weaknesses identified
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Reviewed and recommended, for adoption by the board, the financial information that is publicly disclosed, which included:
  - The interim results for the six months ended 31 December 2016
  - The integrated annual report for the year ended 30 June 2017
- Considered the performance and effectiveness of internal audit, reviewed the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan
- In consultation with executive management, agreed to an audit fee for the 2017 financial year
- Satisfied itself that the external auditor is independent of the Group
- Reviewed reports received through the 'whistle-blowing' system
- Met with both the internal and external auditors where management was not present
- Reviewed the performance of the external auditors and recommended, for approval at the 2017 annual general meeting, PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as the external auditor for the 2018 financial year

Audit and Risk Committee Report (continued)

- Reviewed a documented assessment prepared by management on the going concern status of the Company and Group, including the key assumptions, and accordingly made recommendations to the board
- Reviewed the performance, appropriateness and expertise of the chief finance officer and confirmed his suitability for the position.

The board has delegated responsibility for obtaining assurance on the effectiveness of the Group's systems of internal controls and risk management to the committee. This assurance has been obtained through a combination of independent ongoing reporting by the internal auditors, external auditor's reports and a peer review system that operates within the Group as the business management system (BMS). Further, the operating subsidiary holds independent assurers' certification for compliance with ISO14001:2015, ISO9001:2008 and OHSAS18001:2007 in relation to environmental, quality and occupational health and safety matters respectively.

The Group has now embedded enterprise risk management into day-to-day activities and risks are now considered during strategy formulation and key decision making processes.

In respect of the internal audit function, the committee has received written confirmation from the service provider of their fulfillment of the internal audit mandate during the year.

Integrated annual report

The committee has evaluated the integrated annual report incorporating the annual financial statements for the year ended 30 June 2017 and considers that it complies, in all material aspects, with the requirements of international financial reporting standards.

The committee has considered the sustainability information as disclosed in the integrated annual report and has assessed its consistency with the operational and other information known to committee members and is satisfied that the information is reliable and consistent with the financial results. The committee has also considered the external assurance providers' report on sustainability and is satisfied that the information is reliable and consistent with the financial results.

The committee has therefore recommended the annual financial statements, as set out in the integrated annual report, for approval by the board which has subsequently approved the financial statements.

Based on the results of the formal documented review of the Group's system of internal financial controls which was performed by the internal audit function, nothing has come to the attention of the committee to indicate that the internal financial controls were not operating effectively.

The committee has reported accordingly to the board.

NPS Zhou
Chairman of the Audit and Risk Committee
8 September 2017

Directors' Report

The directors have pleasure in presenting their annual report, together with the financial statements for Zimplats Holdings Limited ('Zimplats' or the 'Company') and the consolidated financial statements for Zimplats Holdings Limited and its subsidiaries (together the 'Group'), for the year ended 30 June 2017.

PURPOSE OF THE COMPANY

Zimplats' main purpose is the production of platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a wholly-owned subsidiary.

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States Dollars (US$).

Zimplats is a company of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial reports have been rounded off to the nearest thousand dollars, unless otherwise indicated.

SHARE CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital of the Company remains unchanged since last period at 500 million ordinary shares of US$0.10 each.

ISSUED SHARE CAPITAL

The issued share capital of the Company remains unchanged at 107 637 649 shares.

UNISSUED SHARE CAPITAL

In terms of the articles of incorporation of the Company, unissued shares are under the control of the directors.

SHAREHOLDING IN THE COMPANY

The number of shares held by the majority shareholder, Impala Platinum BV, was unchanged at 93 644 430 shares. Shareholder details are reported on at pages 164 to 165.

EMPOWERMENT

Zimplats continues to support the Government of Zimbabwe in its endeavours to empower indigenous Zimbabweans and to develop the Zimbabwean economy.

Shareholders have been kept informed of ongoing discussions with the Government of Zimbabwe with regards to the Group's compliance with the Indigenisation and Economic Empowerment Act (Chapter 14: 33) in Zimbabwe.

In the current year the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, concluded the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust (ESOT) as part of its indigenisation implementation plan (IIP). The ESOT subscribed for, and was issued with, a 10% equity stake in the operating subsidiary which was financed by an interest bearing loan granted by the operating subsidiary to the ESOT.

Directors' Report (continued)

In April 2016, His Excellency the President of the Republic of Zimbabwe, Robert Gabriel Mugabe issued a statement clarifying the Government of Zimbabwe's position on the Indigenisation and Economic Empowerment Policy for the guidance of the business community and investors, among other stakeholders. In essence the statement clarified the Government of Zimbabwe's position in respect to the natural resources sector, namely that "for existing businesses where Government does not have 51% ownership, compliance with the Indigenisation and Economic Empowerment Policy should be through ensuring that the local content retained in Zimbabwe (in the form of wages, salaries, taxation, community ownership schemes, and other activities such as procurement and linkage programmes) is not less than 75% of gross value of the exploited resources". Against the background of this statement, the Group, through the operating subsidiary, continues to engage the Government of Zimbabwe with a view to finalising its IIP.

LOSS OF GROUND

As reported previously, in March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a large portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. In March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land. The March 2013 preliminary notice was subsequently superseded by a new preliminary notice which the Government of Zimbabwe issued on 13 January 2017, in terms of which the Government of Zimbabwe gave fresh notice of its intention to compulsorily acquire the same portion of ground. The new preliminary notice repealed all previous notices issued by the Government of Zimbabwe. The operating subsidiary lodged an objection to the proposed acquisition as was set out in the new notice. Following the lodging by the operating subsidiary of its objection, the Government of Zimbabwe on 24 May 2017 served the operating subsidiary with an order of compulsory acquisition and then on 26 June 2017 the Government of Zimbabwe filed a court application seeking confirmation of the acquisition. The operating subsidiary responded to the court application and the parties are currently engaged in discussions to find an amicable resolution of the matter.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 113 to 161. Whilst operating under the backdrop of soft metal prices, the Group recorded a good set of financial results mainly due to the excellent production performance augmented by the export incentive and the proceeds from the disposal of treasury bills issued in connection with the previously written off RBZ debt.

No significant events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the user of these statements to make proper evaluations and decisions.

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the Group has adequate resources to continue as a going concern in the foreseeable future. However, in the current economic environment this expectation will need to be continuously reassessed to determine its reasonableness.

EVENTS AFTER REPORTING PERIOD

There are no significant events after the statement of financial position date that have a bearing on the understanding of these financial statements.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

The chief executive officer and the chief finance officer have made the following certification to the board on the basis that there is nothing that has come to their attention that would cause them to report otherwise:

- That the Group's financial reports present a true and fair view, in all material respects, of the financial condition and operational results of the Group and are in accordance with relevant accounting standards

Directors' Report (continued)

- That the Group has adopted an appropriate system of risk management and internal compliance and control which implements the policies adopted by the board and forms the basis of the statement given above
- That the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

DIRECTORATE

COMPOSITION OF THE BOARD

During the year under review, Mr M A Masunda, Dr K D K Mokhele, Mr L J Paton and Mr T P Goodlace retired or resigned from the board:

- Mr Masunda retired as a director of the Company at the annual general meeting held on 14 October 2016. He was appointed as a director of the Company in 2007 and he was subsequently appointed as deputy chairman of the board with effect from 1 March 2010. Mr Masunda was acting chairman of the board from 1 July 2012 until 30 June 2015.
- Dr Mokhele also retired as a director of the Company at the annual general meeting held on 14 October 2016. Dr Mokhele was appointed to the board in 2007. He served as the non-executive chairman of Impala Platinum Holdings Limited from 2009 until his retirement from that position in 2015.
- Mr Paton resigned as a director of the Company on 17 October 2016. He was appointed to the board in 2003 and served on the Company's safety, health, environment and community (SHEC) committee (which he chaired since 2007) and the remuneration committee.
- Mr Goodlace resigned as a director of the Company with effect from 1 February 2017. He was appointed to the board in August 2012 and he was a member of the board's SHEC committee. He served as the chief executive officer of Impala Platinum Holdings Limited from 2012 until he stepped down from that position on 1 December 2016.

During the year under review, Mr A Muchadehama, Dr D S M Shoko and Mr N J Muller were appointed to the board. Mr Muchadehama and Dr Shoko were appointed as directors with effect from 17 October 2016 whilst Mr Muller was appointed to the board on 1 May 2017.

The following are the current members of the board:

- Dr F S Mufamadi
- Mr A Mhembere
- Mr S M Mangoma
- Ms B Berlin
- Mr A Muchadehama
- Mr N J Muller
- Dr D S M Shoko
- Mr Z B Swanepoel
- Mr N P S Zhou

In terms of the articles of incorporation of the Company, one third of the directors, excluding the chief executive officer, will retire by rotation each year. The directors therefore retiring by rotation at the next annual general meeting are Mr Muchadehama, Mr Muller and Dr Shoko. All the retiring directors, being eligible, offer themselves for re-election.

DIRECTORS INTERESTS AND REMUNERATION

There are no shares or share options in the Company held by either non-executive or executive directors of the Company at the date of release of this report. None of the non-executive or executive directors had any interests in the shares of the Company's subsidiaries at any time during the year and up to the release of this report, nor did they have an interest in any significant contract with the Group during the year and up to the date of this report. In all the preceding instances the position is unchanged from that of the prior year.

Details of directors' remuneration are set out in the Remuneration Report on page 93.

Directors' Report (continued)

INDEMNITY OF OFFICERS

The Company's memorandum and articles of incorporation include indemnities in favour of persons who are or have been officers of the Company. To the extent permitted by law, the Company indemnifies every person who is or has been an officer against:

- Any liability to any person (other than the Company or related entities) incurred while acting in their official capacity and in good faith
- Costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters

For this purpose, "officer" means any director or secretary of the Company or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part, in the management of the Company or is an employee of the Company or any controlled subsidiaries thereof.

The Company has given similar indemnities by deed of indemnity in favour of certain officers in respect of liabilities incurred by them whilst acting as an officer of the Company or any subsidiary of the Company.

No claims under the above mentioned indemnities have been made against the Company during or since the end of the financial year.

INSURANCE FOR OFFICERS

During and since the end of the financial year under review, the Company has paid premiums in respect of contracts insuring persons who are or have been officers of the Company against certain liabilities incurred in that capacity.

For this purpose, "officer" means any director or secretary of the Company or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part, in the management of the Company or is an employee of the Company or any controlled subsidiaries thereof.

Under the above mentioned deeds of indemnity, the Company has undertaken to the relevant officers that it will insure them against certain liabilities incurred in their capacity as an officer.

AUDITORS

Messrs PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the Company's auditors. A resolution to authorise their re-appointment will be proposed at the forthcoming annual general meeting.

In line with best practice, the auditors to the Company are requested to attend the annual general meeting in order to be available to answer shareholder questions concerning the conduct of the audit and the preparation and content of the audit report.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 13 October 2017 at 11:30am. Full details are given in the notice of the meeting on pages 166 to 168.

BY ORDER OF THE BOARD

The Directors' Statement of Responsibility
For the Year Ended 30 June 2017

The Company's directors are responsible for the preparation, integrity and objectivity of the financial statements, comprising the statement of financial position as at 30 June 2017, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS).

To enable the directors to meet those responsibilities:

- The board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost effective manner, and make appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

- The Group's internal audit function, which is outsourced and operates independently, appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices, based on audits carried out on various functions or aspects of the business.

- The audit and risk committee, together with the internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

Based on the results of a formal documented review of the systems of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the period, the board of directors has considered:

- the information and explanations provided by line management
- discussions held with the independent auditors on the results of the audit
- the assessment by the audit and risk committee.

Nothing has come to the attention of the board that has caused it to believe that the Group's systems of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

To their best knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The Directors' Statement of Responsibility

For the Year Ended 30 June 2017 (continued)

The directors have reviewed the performance and financial position of the Group to the date of signing of these financial statements and the prospects, based on the budgets, and are satisfied that the Group is a going concern and therefore continue to adopt the going concern assumption in the preparation of these financial statements. However, the directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

It is the responsibility of the independent auditors to report on the financial statements. Their report to the shareholders of the Company is set out on pages 108 to 112.

These financial statements have been prepared under the supervision of Stewart Mangoma, chief finance officer, a member of the Institute of Chartered Accountants Zimbabwe (ICAZ), registered with the Public Accountant and Auditors Board, Registration Number 3325.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the board of directors on 11 August 2017 and were signed on its behalf by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

8 September 2017

US$20.8 million

was realised from the disposal of treasury bills.

9 percent

increase in revenue from US$471.8 million in FY2016 to US$512.5 million.

FINANCIAL REVIEW

Independent Auditor's Report

To the Shareholders of Zimplats Holdings Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zimplats Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards.

What we have audited

Zimplats Holdings Limited's consolidated and separate financial statements set out on pages 113 to 161 comprise:

- the consolidated and separate statements of financial position as at 30 June 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

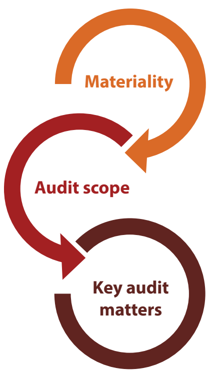
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) ("IESBA Code"). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



Overall group materiality

- US$3 045 470, which represents 5% of a three year average consolidated profit before tax.

Group audit scope

- We conducted a full scope audit for the significant reporting unit, Zimbabwe Platinum Mines (Private) Limited and Zimplats Holdings Limited based on their financial significance to the group results.
- Full scope audits were performed by the centralised engagement team (group engagement team) for all components within the group.

Key audit matter

- Impairment assessment of property, plant and equipment

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P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

Independent Auditor's Report (continued)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$ 3 045 470
How we determined it	5% of average consolidated profit before tax for the 2017, 2016 and 2015 financial years.
Rationale for the materiality benchmark applied	We chose consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which performance of the Group is most commonly measured by users, and is a generally accepted benchmark. In 2017, the Group realised a profit before tax which is significantly higher than the amounts reported in prior years. The change in profit before tax was mainly due to an increase in revenue from prior year, which was attributable to an increase in average metal prices. It was also in part due to receipt of export incentive incomes and disposal of financial assets which are considered exceptional items. Due to the fluctuations, it was considered more appropriate to use a three year average consolidated profit before tax as a benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds used for profit-orientated companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

All audit work was performed by the centralised engagement team (group engagement team) and did not require involvement of component auditors.

- We conducted a full scope audit for the significant reporting unit, Zimbabwe Platinum Mines (Private) Limited, based on financial significance and the parent company Zimplats Holdings Limited.
- We also audited nine other subsidiaries, mainly property or intermediate holding entities, which we scoped in as they require audit of individual statutory financial statements.

Independent Auditor's Report (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment The depressed metal prices during the year triggered an impairment assessment of property, plant and equipment at a Group (US$ 1,016,647,000) and Company level (US$ 5,494,000). Management performed impairment assessments to determine the recoverable amount of the cash generating unit ("CGU") that includes both the Group's and the Company's property, plant and equipment. The recoverable amount for property, plant and equipment was based on a combination of discounted cash flow model and valuation of resources (in situ resources) that are not included in the existing life of mine plans. The impairment assessment was a matter of most significance to our current year audit due to the use of assumptions and estimates in determining the recoverable amount of the assets. The assumptions which were used for cash flow forecasts and in situ valuations are based on future results and expected market and economic conditions. The most significant assumptions in these forecasts and valuations are: production volumes, costs of production, capital expenditure, forecasts for metal prices, and long term real discount rates. Refer to Note 4 (a) 'Carrying value of property, plant and equipment - Impairment review' in the financial statements for the related disclosure.	We gained an understanding of management's process of identifying impairment indicators and the method used to assess impairment loss in the current year. In testing the future cash flows, our audit procedures included: • Testing the future cash flows by inspecting key assumptions on which the assessment of impairment is based and compared the forecast to current performance, and our knowledge of the business; and • Testing the accuracy of the impairment model used by management by performing an independent recalculation and comparing our results with those of management. Our recalculation did not identify any calculation errors within the model. In considering the reasonableness of management's in situ resources value we used our valuation expertise to independently calculate the resource multiple by benchmarking the valuation against comparable transactions. Based on our independent calculation, management's resource multiple was found to be within an acceptable range. The key assumptions used by management in their impairment assessment were subjected to audit procedures as follows: • Long term real revenue per platinum ounce of US$1 322, by testing the reasonableness of the assumption, using our valuation expertise to benchmark the price against independent analysts' forecasts. Based on the work performed, we found management's assumption to be within a reasonable range of possible prices; • We also used our valuation expertise to independently calculate an acceptable range of long term real discount rates, taking into account independently obtained data. Based on our work performed we considered the long term real discount rate used by management to be within the acceptable range; • Production volumes per the life of mine plan assumption were compared to the reserves and resource statement signed off by the Group's Competent Person and to actual production volumes of the current year; • We obtained an understanding and evaluated assumptions and methods that are significant to the Group's Competent Person's work for their relevance and reasonableness; • We inspected the qualifications and experience of the Group's Competent Person and evaluated their objectivity; • We assessed the reasonableness of management's life of mine plan, operating and capital costs as well as unit costs incurred by comparing them to historical forecasts, current operational results, and existing contracts in place. Based on the work performed, we found these forecasts to be reasonable; and • We tested the reasonableness of the inflation rate applied on costs and metal prices in the impairment model by comparing to current rates and market forecasts. Based on the work performed, we found the rate to be reasonable.

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Integrated Annual Report 2017, but does not include the consolidated and separate financial statements on pages113 to 161 and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Independent Auditor’s Report (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Evangelista Ravasingadi
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 0391
Institute of Chartered Accountants of Zimbabwe Public Practice Certificate Number 253514
Institute of Chartered Accountants in England and Wales Membership Number 4010826

8 September 2017
Harare
Zimbabwe

Statements of Financial Position

As at 30 June 2017

		Group		Company	
	Notes	2017 US$ 000	2016 US$ 000	2017 US$ 000	2016 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	6	1 016 647	1 024 233	5 494	5 671
Investment in subsidiaries	7	-	-	113 011	112 970
Trade and other receivables	10	2 457	2 053	-	-
		1 019 104	**1 026 286**	**118 505**	**118 641**
Current assets					
Inventories	8	54 036	47 421	-	-
Prepayments	9	97 690	59 488	103	-
Trade and other receivables	10	162 583	132 657	8	4 022
Cash and balances with banks	11	70 334	55 665	60 778	52 390
		384 643	**295 231**	**60 889**	**56 412**
Total assets		**1 403 747**	**1 321 517**	**179 394**	**175 053**
EQUITY AND LIABILITIES					
EQUITY					
Capital and reserves					
Share capital	12	10 763	10 763	10 763	10 763
Share premium	12	89 166	89 166	89 166	89 166
Retained earnings		892 730	847 192	79 301	74 918
		992 659	**947 121**	**179 230**	**174 847**
LIABILITIES					
Non-current liabilities					
Borrowings	13	85 000	85 000	-	-
Share based compensation	14	1 795	1 870	-	-
Deferred income taxes	15	145 183	140 549	-	-
Environmental rehabilitation provision	16	27 832	21 668	-	-
		259 810	**249 087**	**-**	**-**
Current liabilities					
Trade and other payables	17	73 203	58 283	164	206
Current income tax liabilities	18	53 664	42 795	-	-
Borrowings	13	24 003	24 000	-	-
Share based compensation	14	408	231	-	-
		151 278	**125 309**	**164**	**206**
Total equity and liabilities		**1 403 747**	**1 321 517**	**179 394**	**175 053**

The notes on pages 117 to 161 form an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors and were signed on its behalf by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

8 September 2017

Statements of Comprehensive Income

For the year ended 30 June 2017

		Group		Company	
	Notes	30 June 2017 US$ 000	22 June 2015 to 30 June 2016 US$ 000	30 June 2017 US$ 000	22 June 2015 to 30 June 2016 US$ 000
Revenue	19	512 549	471 778	5 000	-
Cost of sales	20	(367 065)	(390 650)	-	-
Gross profit		**145 484**	**81 128**	**5 000**	**-**
Management fees	30	-	-	2 414	4 718
Administrative expenses	21	(46 274)	(35 864)	(2 000)	(1 490)
Selling and distribution expenses		(4 887)	(5 221)	-	-
Royalty and commission expenses		(12 692)	(11 664)	-	-
Other operating expenses	23	(8 967)	(1 135)	(3)	(9)
Other operating income	24	36 646	9 302	-	-
Operating profit		**109 310**	**36 546**	**5 411**	**3 219**
Finance income	25	851	97	84	72
Finance cost	26	(8 848)	(7 289)	-	-
Profit before income tax		**101 313**	**29 354**	**5 495**	**3 291**
Income tax expense	27	(55 775)	(22 027)	(1 112)	(708)
Profit for the period		**45 538**	**7 327**	**4 383**	**2 583**
Other comprehensive income					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be subsequently reclassified to profit or loss:		-	-	-	-
- Gain on re-measurement of available-for-sale financial assets	24	7 804	-	-	-
- Reclassification to profit or loss	24	(7 804)	-	-	-
Other comprehensive income for the period, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income for the period		**45 538**	**7 327**	**4 383**	**2 583**
Attributable to:					
Owners of the parent		45 538	7 327	4 383	2 583
Non-controlling interest		-	-	-	-
		45 538	**7 327**	**4 383**	**2 583**
Earnings per share attributable to owners of the parent during the period:					
Basic earnings per share (cents)	28	42	7		
Diluted earnings per share (cents)	28	42	7		

The notes on pages 117 to 161 form an integral part of these financial statements.

Statements of Changes in Equity
For the year ended 30 June 2017

GROUP	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
Balance as at 1 July 2016	**10 763**	**89 166**	**847 192**	**947 121**
Total comprehensive income for the year	-	-	45 538	45 538
Profit for the year	-	-	45 538	45 538
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2017	**10 763**	**89 166**	**892 730**	**992 659**
Balance as at 1 July 2015	**10 763**	**89 166**	**852 868**	**952 797**
Total comprehensive income for the period	-	-	7 327	7 327
Profit for the period	-	-	7 327	7 327
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(13 003)	(13 003)
Balance as at 30 June 2016	**10 763**	**89 166**	**847 192**	**947 121**

COMPANY	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
Balance as at 1 July 2016	**10 763**	**89 166**	**74 918**	**174 847**
Total comprehensive income for the year	-	-	4 383	4 383
Profit for the year	-	-	4 383	4 383
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2017	**10 763**	**89 166**	**79 301**	**179 230**
Balance as at 1 July 2015	**10 763**	**89 166**	**85 338**	**185 267**
Total comprehensive income for the period	-	-	2 583	2 583
Profit for the period	-	-	2 583	2 583
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(13 003)	(13 003)
Balance as at 30 June 2016	**10 763**	**89 166**	**74 918**	**174 847**

The notes on pages 117 to 161 form an integral part of these financial statements.

Statements of Cash Flows

For the year ended 30 June 2017

		Group		Company	
	Notes	30 June 2017 US$ 000	22 June 2015 to 30 June 2016 US$ 000	30 June 2017 US$ 000	22 June 2015 to 30 June 2016 US$ 000
Cash flows from operating activities					
Operating profit		109 310	36 546	5 411	3 219
Adjustments for:					
Depreciation	6	75 943	75 003	177	274
Provision for obsolete inventories	8	203	2 128	-	-
Provision for share based compensation	14	412	190	-	-
Loss on disposal of property, plant and equipment	23	6	309	-	-
Foreign exchange losses	23	936	804	3	9
Other receivables written-off	23	778	-	-	25
Reversal of impairment of a long-term receivable	24	(12 996)	-	-	-
Gain on re-measurement of available-for-sale financial assets	24	(7 804)	-	-	-
Changes in operating assets and liabilities					
(Increase)/decrease in inventories		(6 818)	29 959	-	-
Increase in prepayments		(38 202)	(26 012)	(103)	-
(Increase)/decrease in trade and other receivables		(31 108)	(4 257)	4 014	(4 047)
Increase/(decrease) in trade and other payables	17	14 708	(45 947)	(42)	29
Net cash generated from/(utilised in) operations		105 368	68 723	9 460	(491)
Finance costs paid	13	(7 194)	(7 196)	-	-
Share based compensation payments	14	(310)	(246)	-	-
Payments made for environmental rehabilitation	16	(780)	(412)	-	-
Income taxes and withholding tax paid	18	(40 985)	(24 833)	(1 112)	(708)
Net cash generated from/ (utilised in) operating activities		**56 099**	**36 036**	**8 348**	**(1 199)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(63 321)	(68 072)	-	-
Proceeds from disposal of property, plant and equipment		249	137	-	-
Proceeds from disposal of treasury bills	24	20 800	-	-	-
Movement in loans to subsidiaries		-	-	(41)	(47)
Finance income	25	845	97	84	72
Net cash (utilised in)/ generated from investing activities		**(41 427)**	**(67 838)**	**43**	**25**
Cash flows from financing activities					
Proceeds from bank borrowings	13	-	10 000	-	-
Dividends paid	29	-	(13 003)	-	(13 003)
Net cash utilised in financing activities		**-**	**(3 003)**	**-**	**(13 003)**
Net increase/(decrease) in cash and cash equivalents		**14 672**	**(34 805)**	**8 391**	**(14 177)**
Cash and cash equivalents at beginning of the period		31 665	66 479	52 390	66 576
Exchange losses on cash and cash equivalents		(3)	(9)	(3)	(9)
Cash and cash equivalents at the end of the period	**11**	**46 334**	**31 665**	**60 778**	**52 390**

The notes on pages 117 to 161 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2017

1. GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a public company domiciled in Guernsey, Channel Islands and is listed on the Australian Stock Exchange (ASX). The consolidated financial statements for the year ended 30 June 2017 comprise the Company and its subsidiaries (together 'the Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Accounting policies that refer to Group, apply equally to the Company financial statements where relevant.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations, applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for:

- available-for-sale financial assets that are measured at fair value; and
- the liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

The financial statements were historically prepared based on an internal cut-off date for financial information ending on 21 June in line with the metallurgical cut-off date each year. In the comparative period, the Group decided to align the internal cut-off date and the date of the financial statements by moving the internal month end cut-off date of 21 June to 30 June. Consequently, the comparative consolidated statement of comprehensive income includes a period of one year and nine days.

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue in existence for the foreseeable future. The directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.1 Changes in accounting policies and disclosures

a) New standards, amendments and interpretations effective for the first time for 30 June 2017 year ends that are relevant to the Group		
Standard / Interpretation	**Effective date**	**Executive summary**
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	1 January 2016	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
Amendments to IAS 27, 'Separate financial statements' on equity accounting	1 January 2016	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

a) New standards, amendments and interpretations effective for the first time for 30 June 2017 year ends that are relevant to the Group (continued)

Standard / Interpretation	Effective date	Executive summary
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2016	Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2016	Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
Amendment to IAS 19, 'Employee benefits'	1 January 2016	Discount rate: regional market issue - The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
Amendment to IAS 34, 'Interim financial reporting'	1 January 2016	Disclosure of information 'elsewhere in the interim financial report' The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

b) New standards, amendments and interpretations issued but not effective for 30 June 2017 year ends that are relevant to the Group but have not been early adopted

Standard / Interpretation	Effective date	Executive summary
Amendment to IAS 7, 'Cash flow statements' Statement of cash flows on disclosure initiative	1 January 2017	In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.
Amendments to IFRS 2, 'Share-based payments' Clarifying how to account for certain types of share-based payment transactions	1 January 2018	This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.
IFRS 9, 'Financial instruments' (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	1 January 2018	This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. This new standard will impact the classification and disclosure of financial assets.
IFRS 15, 'Revenue from contracts with customers'	1 January 2018	The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of a good or service transfers to a customer. The standard is not expected to change the timing of revenue recognition for the Group. However, the impact of the new standard will further be assessed in more detail.
Amendment to IFRS 15, 'Revenue from contracts with customers'	1 January 2018	The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

b) New standards, amendments and interpretations issued but not effective for 30 June 2017 year ends that are relevant to the Group but have not been early adopted (continued)

Standard / Interpretation	Effective date	Executive summary
IFRS 16, 'Leases'	1 January 2019 -earlier adoption permitted if IFRS 15 is also applied	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – Incentives' and SIC 27, 'Evaluating the substance of transactions involving the legal form of a lease'. The impact of the new standard will be further assessed but is currently expected to mainly impact the disclosure of leases within the financial statements.
IFRIC 22, 'Foreign currency transactions and advance consideration'	1 January 2018	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.
IFRIC 23, 'Uncertainty over income tax treatments'	1 January 2019	IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

2.2 PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value at the date when control is lost with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting policy for investment in subsidiaries in separate financial statements of the Company

All investments in subsidiaries are carried at cost less accumulated allowance for impairment.

2.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance of the operating segments.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in United States Dollars (US$), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end are generally recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement within "other operating expenses" or "other operating income".

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The present value of decommissioning costs, which is the cost of dismantling and removal of the asset included in the environmental rehabilitation provision, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the income statement.
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment.
- These assets are depreciated over their useful lives and are expensed in the income statement as a cost of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

Assets are not depreciated when the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets. Depreciation methods and depreciation rates are applied consistently within each asset class. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within other operating income or expense in the income statement.

Mining claims

Mining claims are the right to extract minerals from a tract of public land. Mining claims not expensed are not depreciated until a claim is explored and a mine is operational. Depreciation is based on the units of production method.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

Mining assets

Individual mining assets are depreciated using the units-of-production method based on their respective estimated economically recoverable proved and probable mineral reserves, limited to the life of mine.

Metallurgical assets

Metallurgical assets are depreciated using the units-of-production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

As at 30 June 2017, the life of mine was estimated as follows:

Mine	Estimated useful life
Rukodzi Mine	5 years
Ngwarati Mine	8 years
Bimha Mine	35 years
Mupfuti Mine	11 years
South Pit Mine	1 year

Land and buildings

Land is not depreciated. Buildings are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves, limited to the life of mine.

Mobile equipment

This category includes trackless mining machinery and motor vehicles. These assets are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Trackless mining machinery	5 years
Motor vehicles	4 to 5 years

Service and other assets

Service assets comprise mainly the Ngezi Road, internal access roads, reticulation to staff housing, a 330kV substation and sewage facilities. These assets are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

Other assets comprise the environmental rehabilitation assets, information technology equipment, furniture and fittings. The environmental rehabilitation assets are depreciated over the life of mine using the units-of-production method. Information technology equipment, furniture, fittings and office equipment are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Information technology equipment	3 years
Furniture, fittings and office equipment	5 years

Mining exploration

Expenditure on mining exploration in new areas of interest is charged against income as incurred. Costs related to property acquisitions, surface and mineral rights are capitalised to mining assets and are recorded at cost less accumulated depreciation and impairment losses.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

Assets under construction

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management.

Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

Stripping costs

Waste removal costs incurred during the production phase of an open-pit mine to provide improved access to future ore (to be mined over a period of more than 12 months) are recognised as stripping activity assets in property, plant and equipment. The stripping costs incurred in the ordinary course of operations in an open-pit mine are expensed as incurred. The stripping activity asset is depreciated over the expected useful life of the identified component of the ore body to which access has been improved as a result of the stripping activity using the units-of-production method.

There were no stripping costs meeting the capitalisation criteria as at 30 June 2017 (2016: US$ nil).

Care and maintenance

Projects that are transferred to care and maintenance are carried forward to the extent to which recoupment out of revenue following the return to production or sale of the mine is reasonably assured. Depreciation is provided in respect of properties in accordance with the policy.

2.6 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The Group expenses all exploration and evaluation expenditure until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable, thereafter, exploration and evaluation expenses are capitalised. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the ‘probability’ of future benefits, the information that the directors use to make that determination depends on the level of exploration.

- Exploration and evaluation expenditure on greenfield sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable.

- Exploration and evaluation expenditure on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A ‘pre-feasibility study’ consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors.

  The pre-feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures.

- Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a pre-feasibility study. This economic

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

- Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 LEASES

Determining whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.9 FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the loans and receivables and available-for-sale financial assets categories. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and balances with banks in the statement of financial position.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at fair value through profit or loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The available-for-sale financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains or losses from investment securities.

Measurement

At initial recognition, the Group measures financial assets at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency
  - translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale in other comprehensive income.

Interest income on available-for-sale securities and loans and receivables calculated using the effective interest method is recognised in the income statement.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying value of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

2.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 INVENTORIES

Ore, concentrate and matte stocks

Ore, concentrate and matte stocks are valued at the lower of cost (average cost of production) and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Quantities of in-process metals are based on latest available assays allocated to main products on a units produced basis.

Consumable stocks

Consumable stocks are stated at the lower of cost (on a weighted average basis) and net realisable value. The cost of consumable stocks include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Obsolete, redundant and slow moving consumable stocks are identified and written down to net realisable value which is the estimated selling price in the ordinary course of business less selling expenses.

2.12 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If the amount is expected to be settled within one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate allowance for impairment account.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

The Group considers that there is evidence of impairment if any of the following indicators are present:
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment allowance was recognised are written off against the allowance when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other operating expenses. Subsequent recoveries of amounts previously written off are included in other operating income.

2.13 CASH AND BALANCES WITH BANKS
Cash and balances with banks comprise cash held with banks and cash on hand. Balances with banks are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

2.14 CASH AND CASH EQUIVALENTS
For the purposes of presentation in the statement of cash flows, cash and cash equivalents comprise cash and balances with banks and the revolving facility which operates as a bank overdraft. The revolving facility is shown within borrowings in the statement of financial position.

2.15 SHARE CAPITAL
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

2.16 BORROWINGS
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 BORROWING COSTS
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and usually paid within two months of recognition. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting date.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Environmental rehabilitation provision

The long-term obligations result from environmental disturbances associated with the Group's mining and processing operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

The expected decommissioning or rehabilitation cost, discounted to its net present value, is provided when the related environmental disturbance occurs, based on the Group's interpretation of environmental and regulatory requirements and its own environmental policies where these are more stringent and this has created an obligation on the Group. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost, apart from unwinding the discount, which is recognised in the income statement as a finance cost, is also capitalised. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and any related asset, and the effect is then recognised in the income statement on a prospective basis over the remaining life of the operation.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances. The costs of other activities to prevent and control pollution and to rehabilitate the environment that are not included in provisions are charged to the income statement as incurred.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

2.20 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term benefits comprise wages and salaries, accumulated leave pay, bonuses and any non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Short-term benefits are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the statement of financial position. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Pension obligations

The Group participates in defined contribution retirement plans.

A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions paid to independently managed funds are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Employee share ownership plan

During the year, the Group concluded a new employee share ownership plan which now holds 10% of the issued shares in the main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. This was done through the establishment of a trust, Zimplats Employee Share Ownership Trust (the 'ESOT') which holds the shares for the benefit of the participating employees.

The ESOT was established in Zimbabwe and its beneficiaries are the permanent employees (excluding the executive directors and company secretary) of the main operating subsidiary.

Cash-settled share based payments

The long-term incentive plans set out below are classified as cash-settled share based payments. The obligation to settle the shares under the long-term incentive plans lies with the Group notwithstanding that participants are awarded Impala Platinum Holdings Limited shares.

Long-term incentive plan – share appreciation rights (LTIP – SAR-new)

Conditional rights are awarded to participants to receive shares in Impala Platinum Holdings Limited. The number of shares awarded is calculated with reference to the increase in the share price from the award date until the date on which the share appreciation right (SAR) is exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants become shareholders of Impala Platinum Holdings Limited following the exercise of the SARs. All unexercised SARs lapse after six years from date of allocation

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

The fair value, on grant date, of the employee services received in exchange for the grant of the SAR is recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in the share based compensation liability. The fair value is determined by using the binomial option valuation model and assumptions used to determine the fair value are detailed in note 4. At each reporting date, the total amount to be expensed is determined by the number of options that are expected to become exercisable, taking into account non-market vesting conditions.

Long-term incentive plan - share appreciation rights (LTIP – SAR- run-off)

The Group allocates to executives and senior managers notional shares in Impala Platinum Holdings Limited. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years, an additional 25% becomes exercisable per year. After 10 years from date of allocation, all unexercised shares lapse.

Long-term incentive plan - conditional share plan (LTIP - CSP)

Fully paid shares in Impala Platinum Holdings Limited are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with rights from vesting onwards. There are two conditional share plans in effect. For the shares to vest in both instances participants must remain employed by the Company but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

2.21 CURRENT AND DEFERRED INCOME TAX

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Additional profits tax (APT) is a tax over and above the normal income tax payable by Zimbabwean companies operating under a special mining lease (SML) and becomes payable when the Group's SML subsidiaries have a positive accumulated net cash position determined in accordance with the Twenty Third Schedule of the Income Tax Act (Chapter 23:06). APT and income tax are both treated as current income tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Current income tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to settle the balance on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

2.22 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of the sale of metals produced in the ordinary course of the Group's activities.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results.

The Group sells white matte or concentrate which primarily consists of platinum, palladium, rhodium, iridium, ruthenium and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe. The products are sold to one customer, Impala Refining Services Limited (IRS), a fellow subsidiary, under the terms of a contract. Revenue from the sale of white matte and concentrate is recognised when the product has been delivered to IRS where it is subject to further processing. Prices of the individual extracted minerals/metals are based on market prices. Quantities of the metals contained in the white matte and concentrate are obtained from the assay report results from both the Group and IRS which are agreed by the two parties.

Revenue for the Company is dividend income from investments which is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.23 INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.24 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting date but not distributed at the reporting date.

Dividends declared after the reporting date but before the financial statements are issued are not recognised in the financial statements but are disclosed in the notes to the financial statements.

2.25 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

2.26 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's future financial performance. The primary objective of the financial risk management function is to establish risk limits and to ensure that risks stay within limits.

Risk management is carried out by the audit and risk committee under the policies approved by the directors. The audit and risk committee identifies and evaluates financial risks in close cooperation with management.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

3.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies, interest bearing liabilities and commodity prices to the extent that these are exposed to general and specific market movements.

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market.

The Group is exposed to commodity price risk as trade receivables include pipeline sales amounting to US$148.2 million (2016: US$125.9 million) which will be re-measured at future metal prices according to the sales contract with IRS. Metals sold, for which actual prices are not yet certain, are valued using spot prices at the reporting date with reference to the international market. The Group is therefore exposed to the risk of external price volatility (price takers).

The following demonstrates the sensitivity of pipeline sales included in trade receivables at the reporting date to a 10% (2016:10%) change in metal prices on profitability with all other variables held constant:

	Group	
Effect on profit before income tax	**2017**	**2016**
	US$ 000	**US$ 000**
Platinum	6 343	6 462
Palladium	4 855	3 102
Gold	916	905
Rhodium	971	695
Nickel	1 018	938
Copper	462	337
Other	254	154
Total	14 819	12 593

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

(ii) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in currencies other than the US$, primarily with respect to contracts with suppliers of goods and services mainly denominated in the South African Rand (ZAR) (see note 17). The Group does not use forward exchange contracts to hedge its foreign currency risk.

At 30 June 2017, if the US$ had weakened/strengthened by 20% (2016: 20%) against the South African Rand (ZAR) with all other variables held constant, post-tax profit for the period would have been US$1.72 million (2016: US$1.18 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables. Profit is more sensitive to movement in ZAR exchange rates in 2017 than 2016 because of the increased amount of ZAR denominated payables.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. All the Group's borrowings are at variable interest rates and are denominated in US$. A treasury committee meets each month to discuss various scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The directors approve all loans, including the interest rate terms, which are benchmarked against the London Inter- Bank Offered Rate (LIBOR).

Interest rate risk sensitivity analysis

The table below indicates the sensitivity to a +/-100 basis points change in interest rates, with all other variables held constant, of the Group's profit before income tax.

	Effect on profit before income tax	
	2017	2016
Interest rate change	US$ 000	US$ 000
100 basis points increase	850	850
100 basis points decrease	(850)	(850)

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash deposits with banks or financial institutions and trade and other receivables. The Group's cash and balances with banks are placed with high credit quality financial institutions. The sole customer of the Group is Impala Refining Services Limited based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder. Based on historic default rates, there have been no impairments necessary (2016: US$ nil) against trade receivables. The credit quality of the sole customer is considered to be sound and management does not expect any losses from non-performance.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group's maximum exposure to credit risk by class of financial asset is as follows:

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
Trade and other receivables (excluding value added tax)	154 227	130 068	8	4 022
Cash and balances with banks (excluding cash on hand)	70 312	55 646	60 778	52 390
	224 539	185 714	60 786	56 412

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

As all contractual terms have been complied with, trade receivables were fully performing and none were past due nor impaired as at 30 June 2017 (2016: US$ nil).

Other receivables

Credit risk relating to other receivables comprises employee housing and car loans secured by a second bond over residential properties and certificate of title respectively. Ownership is only transferred after the loan has been paid in full. There is limited credit risk associated with loans and receivables from employees as repayments are deducted periodically through the payroll.

Cash and balances with banks

The Group holds accounts with large financial institutions with sound capital and financial cover. The financial institutions holding the Group's cash and balances with banks have the following credit ratings:

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
BBB	-	55 484	60 754	52 388
BB+	61 814	60	-	-
AA-	8 397	-	24	2
A	101	102	-	-
	70 312	55 646	60 778	52 390

External ratings for financial institutions were based on Fitch and Moody and the Global Credit Rating Company ratings.

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its obligations when they fall due, the consequences of which may be the failure to meet obligations to creditors. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

The treasury committee meets every month to review cash flow forecasts performed by the finance department. The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities as well as ensure that the Group does not breach borrowing limits or covenants (where applicable). Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below analyses the Group's non-derivative financial assets and financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. For borrowings, the cash flows have been estimated using the three months LIBOR applicable at the end of the reporting period.

Group At 30 June 2017	On demand and up to 6 months US$ 000	6 months to 1 year US$ 000	1 year to 2 years US$ 000	2 years to 5 years US$ 000	Contractual cash flows total US$ 000	Carrying amount total US$ 000
Liabilities						
Borrowings	27 607	3 546	47 877	44 302	123 332	109 003
Trade and other payables (excluding statutory liabilities)	58 923	-	-	-	58 923	58 923
Total liabilities	**86 530**	**3 546**	**47 877**	**44 302**	**182 255**	**167 926**
Assets						
Trade and other receivables (excluding value added tax)	151 050	720	1 149	1 308	154 227	154 227
Cash and balances with banks	70 334	-	-	-	70 334	70 334
Total assets	**221 384**	**720**	**1 149**	**1 308**	**224 561**	**224 561**
Liquidity gap	**134 854**	**(2 826)**	**(46 728)**	**(42 994)**	**(42 306)**	**(56 635)**
Cumulative liquidity gap	**134 854**	**132 028**	**85 300**	**42 306**	**-**	
At 30 June 2016						
Liabilities						
Borrowings	27 325	3 271	47 461	44 163	122 220	109 000
Trade and other payables (excluding statutory liabilities)	31 011	-	-	-	31 011	31 011
Total liabilities	**58 336**	**3 271**	**47 461**	**44 163**	**153 231**	**140 011**
Assets						
Trade and other receivables (excluding value added tax)	127 508	507	1 403	650	130 068	130 068
Cash and balances with banks	55 665	-	-	-	55 665	55 665
Total assets	**183 173**	**507**	**1 403**	**650**	**185 733**	**185 733**
Liquidity gap	**124 837**	**(2 764)**	**(46 058)**	**(43 513)**	**(32 502)**	**(45 722)**
Cumulative liquidity gap	**124 837**	**122 073**	**76 015**	**32 502**	**-**	

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

The Group determines ideal weights for maturity time buckets which are used to benchmark the actual maturity profile. Maturity mismatches arising across the time buckets are managed through sales or advances from related parties. Mismatches arising from financing mismatches are managed through renewal of existing facilities or renegotiation of terms.

3.2 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and balances with banks. Total capital is calculated as 'equity' in the statement of financial position plus net debt.

The gearing ratios at 30 June were as follows:

	Group	
	2017	2016
	US$ 000	US$ 000
Total borrowings (note 13)	109 003	109 000
Less: Cash and balances with banks (note 11)	(70 334)	(55 665)
Net debt	38 669	53 335
Total equity	992 659	947 121
Total capital	1 031 328	1 000 456
Gearing ratio	3.7%	5.3 %

3.3 FAIR VALUE ESTIMATION

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value instruments are observable, the instrument is included in level 2.
Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The Group had no financial assets or financial liabilities carried at fair value as at 30 June 2017 (2016: US$ nil).

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of financial assets and liabilities not measured at fair value on the entity's statement of financial position.

	Group			
	2017		2016	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS	US$ 000	US$ 000	US$ 000	US$ 000
Trade and other receivables (excluding value added tax)	154 227	154 227	130 068	130 068
Cash and balances with banks	70 334	70 334	55 665	55 665
	224 561	224 561	185 733	185 733

The carrying amount of trade and other receivables closely approximates its fair value as the instruments are short-term in nature and impact of discounting is not significant.

	Group			
	2017		2016	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL LIABILITIES	US$ 000	US$ 000	US$ 000	US$ 000
Borrowings	109 003	109 003	109 000	109 000
Trade and other payables (excluding statutory liabilities)	58 923	58 923	31 011	31 011
	167 926	167 926	140 011	140 011

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting is not significant due to the available market terms (rates and tenor) on borrowings and the short-term nature of trade and other payables.

3.4 FINANCIAL INSTRUMENTS BY CATEGORY

	Group	
	2017	2016
Assets as per statement of financial position	US$ 000	US$ 000
Loans and receivables		
Trade and other receivables (excluding value added tax)	154 227	130 068
Cash and balances with banks	70 334	55 665
	224 561	185 733
Liabilities as per statement of financial position		
Financial liabilities at amortised cost		
Borrowings	109 003	109 000
Trade and other payables (excluding statutory liabilities)	58 923	31 011
	167 926	140 011

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

(a) Carrying value of property, plant and equipment

Management has elected to use the centares mined in relation to centares proved and probable mineral reserves as appropriate units-of-production (UOP) depreciation methodology. Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method and this will similarly impact the useful lives of assets depreciated on a straight line basis, where those lives are limited to the life-of-mine.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the UOP rate of depreciation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves will similarly have an impact on the useful lives of assets depreciated on a straight-line basis, as these lives are limited to the life of the mine.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of tangible assets are inherently uncertain and could materially change over time.

They are significantly affected by resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Ore reserves estimation

The estimation of ore reserves impact the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of environmental rehabilitation expenditure.

Factors impacting the determination of proved and probable reserves are:

- the grade of ore reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

Change in estimates

Following the successful completion and approval of the Mupani Mine bankable feasibility study during the year, the Mupani Mine ore reserves were included in the reserves used to calculate depreciation for the Selous Metallurgical Complex concentrator, the smelter and other shared service assets. The increase in ore reserves had an effect of reducing the overall depreciation charge for the current year and future periods.

The effects of the change in estimates on the Group's depreciation expense charged in cost of sales and administration expenses during the period is shown below:

	US$ 000
Depreciation for the year based on old estimates	83 748
Depreciation for the year based on new estimates	75 943
Decrease in depreciation	7 805

Impairment review

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2017.

The recoverable amount of the cash generating unit (CGU) was determined based on fair value less costs of disposal calculation for the existing mines, the concentrators, the smelter and other property, plant and equipment. The calculation was based on the approved life-of-mine production plan, approved mineral reserve and resources statement, internal forecasts of operating costs, capital expenditure and metal prices.

The discount rate applied is the weighted average cost of capital adjusted to take into account specific risks relating to the Group.

Mineral resources outside the approved mine plans were valued based on the in situ 4E (platinum, palladium, rhodium and gold) ounce value. Comparable market transactions were used as a source of evidence adjusted specifically for the nature of each underlying ore body and the prevailing platinum price.

All the above estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the property, plant and equipment.

The key financial assumptions used in the impairment calculations are:

- Long-term real revenue per platinum ounce sold of US$1 322
- Long-term real discount rate of 15.54%
- Inflation rate of 2% per annum applied on costs and metal prices after 30 June 2022

Sensitivity analysis:

- A change in the discount rate by an additional 5% would not result in impairment
- A change of 5% in the long-term real revenue per platinum ounce sold would not result in impairment

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

(b) Income taxes (note 15, 18 and 27)

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Environmental rehabilitation provisions (note 16)

The Group's mining and processing activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

The discount rate used was 8.1% (2016: 7.6%) at the time of the calculation. The net present value of the current environmental rehabilitation estimates is based on the assumption of a long-term inflation rate of 2.0% (2016: 2.0%).

(d) Revenue recognition (note 19)

The Group has recognised revenue amounting to US$512.5 million (2016: US$471.8 million) for metal sales to Impala Refining Services Limited (IRS). Sales to IRS are governed by a contract which stipulates when payments are to be received and the prices to be used. During the course of the period, assays performed by the Group are compared against those done by IRS and averages for both parties are used to determine sales volume. The Group believes that, based on past experience, these assays will not vary significantly.

At period end, deliveries to IRS not yet paid for (based on the lower of assays between IRS and the Group) are valued using spot prices at 30 June 2017. A 1% variation in assays will result in an adjustment of US$1.5 million (2016: US$1.3 million) in the income statement. The sensitivity of pipeline sales to changes in commodity prices is analysed above under note 3.1.1 (i). Appropriate adjustments will be made in the following period when they fall due for payment. Total sales for the period comprise current period sales and prior period adjustments.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

(e) Long-term incentive plan (note 14, 22)

During the period ended 30 June 2017, the Group had the following cash settled share-based payment arrangements.

Type of arrangement	LTIP – SAR – run off	LTIP – SAR - new	LTIP – CSP
Date of grant	Various since November 2006	Various since November 2012	Various since November 2012
Number in issue	2 291 419	1 672 496	3 373 971
Average contractual life	Lapse ten years after issue: • First 25% lapse eight years after vesting • Second 25% lapse seven years after vesting • Third 25% lapse six years after vesting • Fourth 25% lapse five years after vesting	Three years before vesting and another three years before lapse	Three years. The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date
Vesting conditions	• First 25% after two years service • Second 25% after three years' service • Third 25% after four years service • Fourth 25% after five years service	Three years service and achievement of a target total shareholder return, increase in earnings and measure of fatality frequency rates	Three years service and achievement of a target total shareholder return for the CSP 2 plan. There are no performance conditions under the CSP 1 plan

Share appreciation rights

The Group issues cash-settled share-based payments to employees. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. The fair value of share-based payments is calculated using the binomial option pricing model. The average inputs into this model for the share appreciation cash plans are as follows:

		LTIP – SAR - New		LTIP – SAR – Run off	
	Note	2017	2016	2017	2016
Weighted average option value (Rand)	1	3.49	19.59	3.47	6.36
Weighted average share price on valuation date (Rand)	2	36.85	47.2	179.94	47.2
Weighted average exercise price (Rand)	3	54.97	62.4	179.94	179.2
Volatility	4	63.44	62.79	63.44	62.79
Risk-free interest rate (%)		7.69	7.94	7.69	8.32

1. The weighted average option value for cash settled shares is calculated on the reporting date.
2. The value of cash settled share appreciation rights is calculated at period end based on the period-end closing price.
3. The weighted average exercise price for cash settled shares is calculated taking into account the exercise price on each grant date.
4. Volatility for cash shares is the four hundred day average historical volatility on those major shareholders shares on each valuation date.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

Further details of the share based payment arrangement are as follows:

	2017		2016	
	Number of options	Weighted average exercise price ZAR	Number of options	Weighted average exercise price ZAR
Share appreciation rights (run-off)				
Outstanding at the start of the period	2 432 947	179.20	2 432 947	179.20
Outstanding at the end of the period	2 291 419	179.94	2 432 947	179.20
Exercisable at the end of the period	2 277 068	179.94	2 314 430	179.20
Share appreciation rights (new)				
Outstanding at the start of the period	1 398 091	57.08	757 116	141.05
Granted	380 219	54.97	913 669	35.16
Forfeited	(105 814)	54.97	(272 694)	146.89
Outstanding at the end of the period	1 672 496	54.97	1 398 091	57.08
Exercisable at the end of the period	-	-	-	-
Conditional share plan				
Outstanding at the start of the period	2 613 001	-	1 216 443	-
Granted	1 050 970	-	1 789 901	-
Forfeited	(214 472)	-	(314 634)	-
Exercised	(75 528)	-	(78 709)	-
Outstanding at the end of the period	3 373 971	-	2 613 001	-
Exercisable at the end of the period	-	-	-	-

5. SEGMENT INFORMATION

Vertical integrated operations

The Group operates as a vertically integrated mining concern and is managed as a single segment. The Group's operations are based in one geographical location, Zimbabwe. The chief operating decision maker (the executive committee) makes strategic decisions based on internal reports on the Group's performance as a whole, which is shown in the primary statements.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

6 PROPERTY, PLANT AND EQUIPMENT

Group	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Service and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
Year ended 30 June 2017							
Opening net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233
Additions	-	1 583	11 495	14 344	5 291	35 899	68 612
Transfer from assets under construction	5 741	19 942	10 252	-	1 641	(37 576)	-
Disposals	(60)	(2 142)	(6 399)	(54 623)	(23)	-	(63 247)
Accumulated depreciation on disposals	36	2 142	6 399	54 414	1	-	62 992
Depreciation charge	(5 016)	(21 531)	(18 177)	(25 461)	(5 758)	-	(75 943)
Closing net book amount	148 291	257 863	377 341	40 907	129 607	62 638	1 016 647
As at 30 June 2017							
Cost	191 885	346 504	485 037	163 727	182 968	62 638	1 432 759
Accumulated depreciation	(43 594)	(88 641)	(107 696)	(122 820)	(53 361)	-	(416 112)
Net book amount	148 291	257 863	377 341	40 907	129 607	62 638	1 016 647
Period ended 30 June 2016							
Opening net book amount	150 594	242 354	371 190	59 902	135 937	69 070	1 029 047
Additions	27	1 768	513	17 662	19	49 327	69 316
Borrowing costs capitalised	-	-	-	-	-	1 319	1 319
Transfer from assets under construction	2 001	31 331	19 950	-	2 119	(55 401)	-
Disposals	-	(30 550)	(4 503)	(4 762)	(6)	-	(39 821)
Accumulated depreciation on disposals	-	30 259	4 503	4 609	4	-	39 375
Depreciation charge	(5 032)	(17 293)	(17 882)	(25 178)	(9 618)	-	(75 003)
Closing net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233
As at 30 June 2016							
Cost	186 204	327 121	469 689	204 006	176 059	64 315	1 427 394
Accumulated depreciation	(38 614)	(69 252)	(95 918)	(151 773)	(47 604)	-	(403 161)
Net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group	
	2017	2016
Assets under construction comprise:	US$ 000	US$ 000
Bimha Mine redevelopment project	23 414	17 236
Base metal refinery	18 669	21 902
Mupani Mine	11 802	1 294
Ngezi Phase 2	2 039	14 617
Bypass facility for silo	1 836	-
Exploration and drilling	1 225	1 460
Other	3 653	7 806
	62 638	64 315

The capitalisation rate of the borrowing costs is nil% (2016: 7.4%).

	Company	
	2017	2016
Mining claims	US$ 000	US$ 000
Period ended 30 June		
Opening net book amount	5 671	5 945
Depreciation charge	(177)	(274)
Closing net book amount	5 494	5 671
As at 30 June		
Cost	6 261	6 261
Depreciation charge	(767)	(590)
Net book amount	5 494	5 671

In the statement of cash flows, purchase of property, plant and equipment comprises:

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
Additions	68 612	69 316	-	-
Environmental rehabilitation asset adjustment (note 16)	(5 291)	(1 244)	-	-
	63 321	68 072	-	-

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

7 INVESTMENT IN SUBSIDIARIES

The Group's principal subsidiaries as at 30 June are set out below. Unless otherwise stated, the respective subsidiary's share capital consists solely of ordinary shares that are held directly by the Group.

		Ownership interest	
		2017	2016
Name	Country of incorporation	%	%
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe (Proprietary) Limited	Australia	100	100
Hartley Platinum Mines (Private) Limited	Zimbabwe	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Mhondoro Mining Company Limited	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited* (includes preference shares in 2016)	Zimbabwe	90	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

*During the year, Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake for a consideration of US$95 million to the Zimplats Employee Share Ownership Trust (the 'ESOT'), which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent for the Group.

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
Equity				
Mhondoro Holdings Limited	-	-	2 666	2 666
Zimbabwe Platinum Mines (Private) Limited	-	-	76 778	76 934
	-	-	79 444	79 600
Long-term inter-company loans				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 965	27 963
Mhondoro Holdings Limited	-	-	727	683
Zimbabwe Platinum Mines (Private) Limited	-	-	4 875	4 724
	-	-	33 567	33 370
Total investment in subsidiaries	-	-	113 011	112 970

During the year, the Company redeemed 857 143 redeemable convertible preference shares worth US$156 000 at par value resulting in the reclassification of the amount in the investment in Zimbabwe Platinum Mines (Private) Limited from equity to long-term inter-company loans.

There were no impairment losses on investment in subsidiaries in the current year (2016: US$nil).

The long-term inter-company loans bear no interest and have no fixed repayment terms.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

		Group		Company	
		2017	2016	2017	2016
8	**INVENTORIES**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	Ore, concentrate and matte stocks	15 162	7 754	-	-
	Consumables	43 247	43 837	-	-
	Less: provision for obsolete consumables	(4 373)	(4 170)	-	-
		54 036	47 421	-	-
	The movement in the provision for obsolete consumables is as follows:				
	At the beginning of the period	4 170	2 042	-	-
	Charged to the income statement during the year	203	2 128	-	-
	At the end of the period	4 373	4 170	-	-
9	**PREPAYMENTS**				
	Zimbabwe Electricity Transmission and Distribution Company	12 023	-	-	-
	Deposits on property, plant and equipment	51 936	20 762	-	-
	Consumables and other operating expenditure	31 422	37 291	-	-
	Insurance premiums	2 309	1 435	103	-
		97 690	59 488	103	-

During the year, the Group made a US$17.5 million prepayment to the national power utility, Zimbabwe Electricity Transmission and Distribution Company (ZETDC) which ZETDC utilised to reduce its indebtedness for power imports. The principal amount and interest thereon were converted into power units at an agreed tariff. The power units are redeemable at the rate of 40% of the electricity consumed by the Group. The agreement is part of the arrangements made to secure continuous and reliable electricity supply.

		Group		Company	
		2017	2016	2017	2016
10	**TRADE AND OTHER RECEIVABLES**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	Trade receivables due from related parties (note 30.2c)	148 187	125 920	-	4 022
	Value added tax receivable	10 813	4 642	-	-
	Export incentive	1 547	-	-	-
	Other receivables	4 493	4 148	8	-
		165 040	134 710	8	4 022
	Current assets	162 583	132 657	8	4 022
	Non-current assets	2 457	2 053	-	-
		165 040	134 710	8	4 022

Trade receivables comprise amounts due from Impala Refining Services Limited, a related party, for sales of metal products.

As all contractual terms and conditions have been complied with, trade receivables were fully performing as at 30 June 2017 (2016 : US$ nil).

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

The other classes within trade and other receivables do not contain impaired assets. Based on the credit history of these classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amounts of the Group's trade and other receivables are all denominated in US$.

The fair value of trade and other receivables approximate the carrying values due to their short-term nature.

	Group		Company	
	2017	2016	2017	2016
11 CASH AND BALANCES WITH BANKS	US$ 000	US$ 000	US$ 000	US$ 000
Cash at bank	10 291	1 839	757	910
Cash on hand	22	19	-	-
Short-term deposits	60 021	53 807	60 021	51 480
Cash and balances with banks	70 334	55 665	60 778	52 390
The exposure of cash and balances with banks by country is as follows:				
Australia	24	2	24	2
Isle of Man	1 003	1 003	-	-
Jersey	60 754	52 388	60 754	52 388
Zimbabwe	8 553	2 272	-	-
	70 334	55 665	60 778	52 390

Cash and balances with banks are denominated in US$ except the net exposures to foreign currency detailed below:

	Group		Company	
	2017	2016	2017	2016
	ZAR 000	ZAR 000	ZAR 000	ZAR 000
Balances with banks (South African Rands - ZAR)	21	94	21	94
	AUD 000	AUD 000	AUD 000	AUD 000
Balances with banks (Australian dollars - AUD)	31	3	31	3
	EUR 000	EUR 000	EUR 000	EUR 000
Balances with banks (Euro - EUR)	-	3 847	-	-

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and balances with banks	70 334	55 665	60 778	52 390
Revolving facility (note 13)	(24 000)	(24 000)	-	-
Cash and cash equivalents	46 334	31 665	60 778	52 390

12 SHARE CAPITAL AND SHARE PREMIUM

	Group 2017 US$ 000	Group 2016 US$ 000	Company 2017 US$ 000	Company 2016 US$ 000
Authorised				
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000	50 000
Issued and fully paid				
107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763	10 763
Share premium	89 166	89 166	89 166	89 166
As at 30 June	99 929	99 929	99 929	99 929

The unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law 2008 and the Memorandum and Articles of Incorporation.

13 BORROWINGS

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
Non-current				
Bank borrowings	85 000	85 000	-	-
	85 000	85 000	-	-
Current				
Revolving facility	24 000	24 000	-	-
Bank borrowings	3	-	-	-
	24 003	24 000	-	-
Total borrowings	109 003	109 000	-	-
The movement in borrowings is as follows:				
At the beginning of the period	109 000	82 000	-	-
Proceeds from bank borrowings	-	10 000	-	-
Interest accrued (note 26)	7 195	7 195	-	-
Increase in revolving facility	-	17 000	-	-
Repayments	(7 194)	(7 196)	-	-
Capital	-	-	-	-
Interest	(7 194)	(7 196)	-	-
Movement in interest included in trade and other payables	2	1		
At the end of the period	109 003	109 000	-	-

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

The fair value of non-current borrowings are based on discounted cash flows using the current borrowing rate. They are classified as level 3 in the fair value hierarchy (note 3.3) due to the use of unobservable inputs, including own credit risk.

The carrying amounts of the Group's borrowings are all denominated in US$.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
On demand and up to 6 months	24 000	24 000	-	-
6 months to 1 year	3	-	-	-
1 year to 2 years	42 500	42 500	-	-
2 years to 5 years	42 500	42 500	-	-
	109 003	109 000	-	-

Bank borrowings

Bank borrowings comprise a loan facility for general business purposes from Standard Bank of South Africa Limited . The loan is guaranteed by Impala Platinum Holdings Limited.

During the year, the Group renegotiated its agreement with Standard Bank of South Africa Limited to reduce the US$95 million loan facility to US$85 million and change repayment terms. This was not deemed a substantial modification of the terms of the existing financial liability to warrant accounting as an extinguishment the original loan and recognition of a new loan in accordance with the provisions of IAS 39: Financial instruments: Recognition and measurement. The loan facility is repayable in two equal installments of US$42.5 million on 31 December 2018 and 31 December 2019. The loan bears interest at 3 months LIBOR plus 7% per annum. At the end of the reporting period the Group had no undrawn bank borrowing facility (2016: US$10 million).

Revolving facility

The Group has a revolving facility with Standard Bank of South Africa Limited used for general working capital purposes.

During the year, the Group entered into an agreement with Standard Bank of South Africa Limited to increase the revolving facility from US$24 million to US$34 million for an indefinite period (no maturity date), however, it is subject to annual exchange control approval. The facility was granted exchange control approval up to 8 January 2018. The facility bears interest at 3 months LIBOR plus 2.6% per annum and it is secured by a cession of a portion of the Group's trade receivables.

At the reporting date, the undrawn balance on the revolving facility amounted to US$10 million (2016: nil).

	Group		Company	
	2017	2016	2017	2016
14 SHARE BASED COMPENSATION	US$ 000	US$ 000	US$ 000	US$ 000
At the beginning of the period	2 101	2 157	-	-
Charged to the income statement	412	190	-	-
Payments to employees during the year	(310)	(246)	-	-
At the end of the period	2 203	2 101	-	-
Current liabilities	408	231	-	-
Non-current liabilities	1 795	1 870	-	-
	2 203	2 101	-	-

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

		Group		Company	
		2017	2016	2017	2016
15	**DEFERRED INCOME TAXES**	US$ 000	US$ 000	US$ 000	US$ 000
	The analysis of deferred income tax assets and liabilities is as follows:				
	Deferred income tax assets				
	Deferred income tax assets to be recovered within 12 months	(508)	(3 427)	-	-
	Deferred income tax assets to be recovered after 12 months	(4 280)	(3 419)	-	-
		(4 788)	(6 846)	-	-
	Deferred tax liabilities				
	Deferred income tax liabilities to be settled within 12 months	14 993	14 266	-	-
	Deferred income tax liabilities to be settled after 12 months	134 978	133 129	-	-
		149 971	147 395	-	-
	Deferred income tax liabilities (net)	145 183	140 549	-	-
	The gross movement on the deferred income tax account is as follows:				
	At the beginning of the period	140 549	135 122	-	-
	Charged to the income statement (note 27)	4 634	5 427	-	-
	At the end of the period	145 183	140 549	-	-

The movement in deferred income tax assets and liabilities during the period without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets	Environmental rehabilitation provision US$ 000	Retrenchment provision US$ 000	Share based compensation US$ 000	Assessed losses US$ 000	Total US$ 000
As at 1 July 2015	(3 164)	(324)	(333)	-	(3 821)
(Charged)/credited to the income statement	(313)	324	8	(3 044)	(3 025)
As at 30 June 2016	(3 477)	-	(325)	(3 044)	(6 846)
(Charged)/credited to the income statement	(971)	-	(15)	3 044	2 058
As at 30 June 2017	(4 448)	-	(340)	-	(4 788)

Deferred income tax liabilities	Accelerated tax depreciation US$ 000	Prepayments US$ 000	Inventory consumables US$ 000	Exchange gains US$ 000	Total US$ 000
As at 1 July 2015	130 377	1 583	6 915	67	138 942
(Charged)/credited to the income statement	5 027	4 126	(786)	86	8 453
As at 30 June 2016	135 404	5 709	6 129	153	147 395
(Charged)/credited to the income statement	3 764	(958)	(123)	(107)	2 576
As at 30 June 2017	139 168	4 751	6 006	46	149 971

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group recognised deferred income tax assets of US$nil (2016: US$3 million) in respect of tax losses amounting to US$nil (2016: US$19 million) that can be carried forward against future taxable income.

Tax losses arising from mining operations in Zimbabwe do not expire in accordance with the Income Tax Act (Chapter 23:06).

		Group		Company	
		2017	2016	2017	2016
16	**ENVIRONMENTAL REHABILITATION PROVISION**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	At the beginning of the period	21 668	19 423	-	-
	Change in estimate - rehabilitation asset	5 291	1 244	-	-
	Interest accrued - present value adjustment (note 26)	1 653	1 413	-	-
	Payments during the period	(780)	(412)	-	-
	At the end of the period	27 832	21 668	-	-

The provision is based on a Mining Rehabilitation Plan that was approved by the directors. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment in which they operate. The provision comprises the present value of the expected rehabilitation costs at the end of the life of the mine.

The change in environmental rehabilitation provision from prior year was mainly due to the increase in rehabilitation scope for open pits as recommended by the independent environmental specialist to cover all the voids that had been left.

The current undiscounted cost of the rehabilitation estimate is US$47.9 million (2016: US$37.9 million).

		Group		Company	
		2017	2016	2017	2016
17	**TRADE AND OTHER PAYABLES**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	Trade payables	30 372	22 515	164	206
	Leave pay	6 296	6 800	-	-
	Royalty and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission payable	3 428	3 312	-	-
	Amounts due to related parties (note 30.2d)	7 230	4 591	-	-
	Accruals	24 384	20 164	-	-
	Other payables	1 493	901	-	-
		73 203	58 283	164	206

Trade payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
The trade and other payables are denominated in different currencies as follows:				
United States Dollars	65 077	50 124	126	195
South African Rand (ZAR)	7 885	8 069	3	-
Euro	206	-	-	-
Other	35	90	35	11
	73 203	58 283	164	206
The movement in the leave pay is as follows:				
At the beginning of the period	6 800	6 994	-	-
Utilised in the current period	(5 317)	(4 505)	-	-
Charged to the income statement	4 813	4 311	-	-
At the end of the period	6 296	6 800	-	-

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

	Group 2017 US$ 000	Group 2016 US$ 000	Company 2017 US$ 000	Company 2016 US$ 000
Movements in the statement of cash flows comprise:				
Trade and other payables	14 708	(45 947)	(42)	29
Per the statement of financial position	14 920	(45 071)	(42)	29
Foreign currency exchange adjustment	(933)	(795)	-	-
Interest payable movement	2	1	-	-
Settlement discounts	6	-	-	-
Tax penalties and interest charges	713	(82)	-	-

18 CURRENT INCOME TAX LIABILITIES

	Group 2017 US$ 000	Group 2016 US$ 000	Company 2017 US$ 000	Company 2016 US$ 000
At the beginning of the period	42 795	51 110	-	-
Charge to the income statement (note 27)	51 141	16 600	1 112	708
Tax penalties and interest charges	713	(82)	-	-
Payments made during the year	(40 985)	(24 833)	(1 112)	(708)
At the end of the period	53 664	42 795	-	-

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group		Company	
19 REVENUE	**2017**	**2016**	**2017**	**2016**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**
The Group derives its revenue from the following metal products:				
Platinum	239 390	247 197	-	-
Palladium	161 232	122 153	-	-
Gold	32 251	33 237	-	-
Rhodium	20 346	14 677	-	-
Ruthenium	38 708	37 607	-	-
Iridium	588	444	-	-
Silver	4 024	2 341	-	-
Nickel	254	249	-	-
Copper	15 339	13 628	-	-
Cobalt	417	245	-	-
The Company derives its revenue from dividend income:				
Zimbabwe Platinum Mines (Private) Limited:	-	-	5 000	-
	512 549	471 778	5 000	-
20 COST OF SALES				
Mining operations	203 801	193 287	-	-
Employee benefit expenses (note 22)	48 514	44 896	-	-
Materials and other mining costs	147 895	141 288	-	-
Utilities	7 392	7 103	-	-
Concentrating and smelting operations	96 028	97 086	-	-
Employee benefit expenses (note 22)	14 500	14 341	-	-
Materials and consumables	49 033	47 728	-	-
Utilities	32 495	35 017	-	-
Depreciation charge for operating assets	74 643	73 283	-	-
(Increase)/decrease in ore, concentrate and matte stocks	(7 407)	26 994	-	-
	367 065	390 650	-	-

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group		Company	
	2017	2016	2017	2016
21 ADMINISTRATIVE EXPENSES	US$ 000	US$ 000	US$ 000	US$ 000
Consulting fees	303	1 731	126	312
Independent auditors' remuneration	289	308	21	21
Corporate social responsibility costs	2 235	1 931	-	-
Depreciation	1 300	1 720	177	274
Insurance	4 800	2 739	103	-
Information, communication and technology	4 292	3 166	-	-
Non-executive directors' fees	396	451	383	438
Employee benefit expense (note 22)	25 549	19 803	57	58
Operating lease expenses	184	241	-	-
Other corporate costs	6 926	3 774	1 931	387
	46 274	35 864	2 000	1 490
22 EMPLOYEE BENEFIT EXPENSES				
Wages and salaries	82 381	74 652	57	58
Share based payments (note14)	412	190	-	-
Pension costs - defined contribution	5 770	4 198	-	-
	88 563	79 040	57	58
Employee benefit expenses has been disclosed as follows:				
Cost of sales:				
- Mining operations	48 514	44 896	-	-
- Concentrating and smelting operations	14 500	14 341	-	-
Administrative expenses	25 549	19 803	57	58
	88 563	79 040	57	58
Average number of employees during the year	3 044	3 123	1	1

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

		Group		Company	
		2017	2016	2017	2016
23	**OTHER OPERATING EXPENSES**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	Loss on disposal of property, plant and equipment	6	309	-	-
	Foreign exchange losses	936	804	3	9
	Other receivables written off	778	-	-	-
	Tax penalties and interest charges	7 233	-	-	-
	Other expenses	14	22	-	-
		8 967	1 135	3	9
24	**OTHER OPERATING INCOME**				
	Export incentive	13 973	1 141	-	-
	Reversal of impairment of a long-term receivable	12 996	-	-	-
	Gain on re-measurement of available-for-sale financial assets	7 804	-	-	-
	Insurance claim	559	3 725	-	-
	Tax penalties and interest adjustments	-	2 745	-	-
	Other income	1 314	1 691	-	-
		36 646	9 302	-	-

In May 2016, the Reserve Bank of Zimbabwe introduced an export incentive scheme to promote the export of goods and services in order for the Zimbabwean economy to benefit from the liquidity derived from exports. The Group is entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe. Export incentive is accrued when the Group has received export proceeds in Zimbabwe.

During the year ended 30 June 2017, the Government of Zimbabwe issued to the Group's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, treasury bills with a total nominal value of US$34 million in settlement of the principal amount owed by the Reserve Bank of Zimbabwe to the operating subsidiary.

The treasury bills were designated as available-for-sale financial assets and were initially recognised at a fair value of US$13 million at a discount rate of 27.5% resulting in a reversal of impairment of US$13 million being recognised in the income statement. The Group subsequently disposed of the treasury bills for a consideration of US$20.8 million which was received during the year realising a gain on re-measurement of US$7.8 million.

The insurance claim relates to a full and final settlement from the Group's insurers in respect of certain property, plant and equipment which were damaged as a result of the Bimha Mine partial collapse in 2014.

		Group		Company	
		2017	2016	2017	2016
25	**FINANCE INCOME**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
	Interest earned on short-term bank deposits	114	97	84	72
	Interest earned on ZETDC prepayment	729	-	-	-
	Settlement discounts awarded	6	-	-	-
	Other	2	-	-	-
		851	97	84	72

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

	Group		Company	
	2017	2016	2017	2016
26 FINANCE COSTS	US$ 000	US$ 000	US$ 000	US$ 000
Interest expense on bank borrowings (note 13)	7 195	7 195	-	-
Unwinding of the rehabilitation provision (note 16)	1 653	1 413	-	-
Borrowing cost capitalised (note 6)	-	(1 319)	-	-
	8 848	7 289	-	-
27 INCOME TAX EXPENSE				
Current income tax	51 141	16 600	1 112	708
Corporate tax:	9 600	(446)	-	-
- Current year	9 600	7	-	-
- Adjustment in respect of prior years	-	(453)	-	-
Additional profits tax:	40 429	16 338	-	-
- Current year	40 301	13 366	-	-
- Adjustment in respect of prior years	128	2 972	-	-
Withholding tax	1 112	708	1 112	708
Deferred income tax (note 15)	4 634	5 427	-	-
Income tax expense	55 775	22 027	1 112	708
Reconciliation of tax charge:				
The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits of 15.45% (2016 : 15.45%) as follows:				
Profit before income tax	101 313	29 354	5 495	3 291
Notional tax on profit for the year at the statutory rates of 15.45% and 0% for the Group and Company respectively	15 653	4 535	-	-
Tax effect of:				
Additional profits tax	40 429	16 338	-	-
Expenses not tax deductible for tax purposes	2 676	1 253	-	-
Income not subject to tax:	(4 207)	-	-	-
- Reversal of impairment of a long-term receivable	(2 008)	-	-	-
- Gain on re-measurement of available-for-sale financial asset	(1 206)	-	-	-
- Export incentive	(993)	-	-	-
Adjustment in respect of prior years - deferred tax	19	(346)	-	-
Adjustment in respect of prior years - corporate tax	-	(453)	-	-
Withholding tax	1 112	708	1 112	708
Other items	93	(8)	-	-
Tax charge	55 775	22 027	1 112	708

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

		Group		Company	
28	**EARNINGS PER SHARE**	**2017**	**2016**	**2017**	**2016**
		US$ 000	**US$ 000**	**US$ 000**	**US$ 000**
28.1	**Basic earnings per share**				
	Basic earnings per ordinary share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.				
	Profit attributable to equity holders of the Company	45 538	7 327	-	-
	Weighted average number of ordinary shares in issue	107 638	107 638	-	-
	Basic earnings per share (cents)	42	7	-	-
28.2	**Diluted earnings per share**				
	Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.				
	The Group did not have any shares with a potential dilutive impact (2016: nil).				
	Profit attributable to equity holders of the Company	45 538	7 327	-	-
	Weighted average number of ordinary shares in issue	107 638	107 638	-	-
	Diluted earnings per share (cents)	42	7	-	-
29	**DIVIDENDS**				
	Dividends paid	-	13 003		13 003

A final dividend of US$13 million equating to US$0.1208 per ordinary share for the year ended 30 June 2015 was declared and paid during the period ended 30 June 2016 to shareholders on record as at 7 September 2015.

30 RELATED PARTIES

The Company is controlled by Impala Platinum BV which owns 87% of the ordinary shares of Zimplats Holdings Limited. The remaining 13% is widely held. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum BV.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

30.1 Directors and key management personnel

The directors named in the corporate governance report held office as directors of the Company during the year ended 30 June 2017.

Appointments:

Mr Alec Muchadehama and Dr Dennis Servious Madenga Shoko were appointed to the board on 17 October 2016 while Mr Nicolaas Johannes Muller was appointed on 1 May 2017.

Resignations:

Mr Muchadeyi Ashton Masunda and Dr Khotso David Kenneth Mokhele resigned from the board on 14 October 2016 while Mr Leslie John Paton resigned on 17 October 2016.

Transactions with directors and key management personnel

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. There were no loans extended to directors or executive officers during the year, nor were there any loans or transactions between the Group and companies linked to directors.

Fees paid during the year to non-executive directors amounted to US$396 207 (2016: US$451 022), and remuneration to executive directors and key management personnel amounted to US$9 852 000 (2016: US$8 091 000).

		Group		Company	
		2017	2016	2017	2016
30.2	**Related party transactions and balances**	US$ 000	US$ 000	US$ 000	US$ 000
	The following transactions were carried out with related parties:				
a)	**Revenue**				
	Sales of metal products to Impala Refining Services Limited (note 19)	512 549	471 778	-	-
	Dividend income:				
	Zimbabwe Platinum Mines (Private) Limited	-	-	5 000	-
		512 549	471 778	5 000	-
	The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on an agreement.				
b)	**Management fees and other support services**				
	Services rendered to Zimbabwe Platinum Mines (Private) Limited by:				
	Zimplats Holdings Limited - management fees	-	-	2 414	4 718
	Impala Platinum Limited - support services	2 639	4 082	-	-
		2 639	4 082	2 414	4 718

Management fees relate to remuneration for management and technical support provided to the operating subsidiary whilst support services mainly relate to information, communication and technology systems.

Notes to the Financial Statements
For the year ended 30 June 2017 (continued)

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
c) Amounts due from related parties				
Impala Refining Services Limited	148 187	125 920	-	-
Zimbabwe Platinum Mines (Private) Limited	-	-	-	4 022
	148 187	125 920	-	4 022

The amounts due from Impala Refining Services Limited are due three to five months after the date of sale. The trade receivables bear no interest.

The amounts due from Zimbabwe Platinum Mines (Private) Limited bear no interest and have no fixed repayment terms.

	Group		Company	
	2017	2016	2017	2016
	US$ 000	US$ 000	US$ 000	US$ 000
d) Amounts due to related parties				
Impala Platinum Limited	7 230	4 591	-	-

The amounts due to Impala Platinum Limited bear no interest and have no fixed repayment terms.

	Group	
	2017	2016
31 CAPITAL COMMITMENTS	US$ 000	US$ 000
Capital expenditure contracted for at the end of the reporting period but not yet incurred.	34 910	36 677

The capital commitments will be financed from internal resources and borrowings as referred to in note 13. The capital commitments will be incurred in the next 12 months from the reporting date.

Notes to the Financial Statements

For the year ended 30 June 2017 (continued)

32 CONTINGENCIES

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the High Court of Zimbabwe in relation to various historical tax and customs duties matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases.

During the year, the Group received assessments from the Zimbabwe Revenue Authority (ZIMRA) with respect to legacy payroll related matters. The Group lodged its formal objection and the ZIMRA determination is still being awaited. ZIMRA has demanded payment pending the final determination of the matters.

A service provider filed an application at the High Court of Zimbabwe seeking an order that an alleged agreement between the Group and the service provider should be implemented, or, alternatively, that the Group should pay damages to the amount of US$4 million. The matter was heard in the High Court and, following an application by the Group, the High Court granted an order dismissing the service provider's claim. The service provider has lodged an appeal with the Supreme Court against the High Court judgement.

While recognising the inherent difficulty of predicting the outcome of legal proceedings, the directors believe, based upon current knowledge and after consulting with legal counsel, that the legal proceedings currently pending against it should not have a material adverse effect on the financial position of the Group.

33 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the statement of financial position date that have a bearing on the understanding of these financial statements.

Mupani Mine (replacement for Ngwarati and Rukodzi mines) development is on schedule to get to ore contact in FY2020.

The Zimplats Employee Share Ownership Trust transaction was concluded in January 2017.

SHAREHOLDER AND OTHER INFORMATION

Analysis of Shareholders

Shareholding

Shareholding information is current at 30 June 2017.

Substantial shareholders

The number of shares held by substantial shareholders is set out below:

Name	Number of shares	% of issued share capital
Impala Platinum BV	93 644 430	87.00
J P Morgan Nominees Australia Limited	5 762 140	5.35

Voting rights of ordinary shares

Pursuant to the Law of the Island of Guernsey, Zimplats Holdings Limited (Zimplats) has determined that for the purpose of the annual general meeting, all shares held in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+1 GMT) on Wednesday 11 October 2017 (Entitlement Time).

All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the annual general meeting. On a show of hands, every member, present or voting by proxy, attorney or representative shall have one vote.

On a poll, every member, present or voting by proxy, attorney or representative, shall have one vote for each fully paid ordinary share held.

Top 20 shareholders

Rank	Name	Number of shares	% of issued share capital
1.	Impala Platinum BV	93 644 430	87.00
2.	J P Morgan Nominees Australia Limited	5 762 140	5.35
3.	Citicorp Nominees Pty Limited	4 009 902	3.73
4.	HSBC Custody Nominees (Australia) Limited	2 341 238	2.18
5.	Mr Peter Martin Vanderspuy	221 797	0.21
6.	Mr Roy Shehedi	200 000	0.19
7.	Mr Emanuel Jose Fernandes Dias	183 615	0.17
8.	Dr David Samuel Kleinman	160 600	0.15
9.	HSBC Custody Nominees (Australia) Limited - A/C 3	151 993	0.14
10.	Tierra De Suenos Sa	116 912	0.11
11.	Montana Finance Corp Pty Ltd	80 000	0.07
12.	Mr Hugh Farmer	72 000	0.07
13.	Swiss Trading Overseas Corp	40 516	0.04
14.	Mr Wilhelm Kuhlmann	32 250	0.03
15.	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	30 252	0.03
16.	BNP Paribas Noms Pty Ltd <Drp>	29 436	0.03
17	HSBC Custody Nominees (Australia) Limited - A/C 2	24 683	0.02
18	Mr Christopher Philip Harding	15 591	0.01
19	Mrs Evelyn Dulcie Rettig + Mrs Kerry Frances Mcguire	15 000	0.01
20	Mr Ian F Mackenzie	14 896	0.01
	TOTAL	**107 147 251**	**99.55**

Analysis of Shareholders (continued)

Rank	Number of shares	% of issued share capital
21 to 40	176 999	0.16
41 to 60	83 315	0.08
61 to 80	48 584	0.05
81 to 100	35 950	0.03
101 to120	26 850	0.02
Other	118 700	0.11
Total	**107 637 649**	**100.00**

Distribution of shareholding at 30 June 2017

Number of shares held	Numbers of holders	Number of shares	% of issued share capital
1 to 1 000	249	94 516	0.09
1 001 to 5 000	100	213 468	0.20
5 001 to 10 000	16	134 308	0.12
10 0001 to 100 000	14	402 730	0.37
100 001 to 1 000 000 000	10	106 792 627	99.21
Total	**389**	**107 637 649**	**100.00**

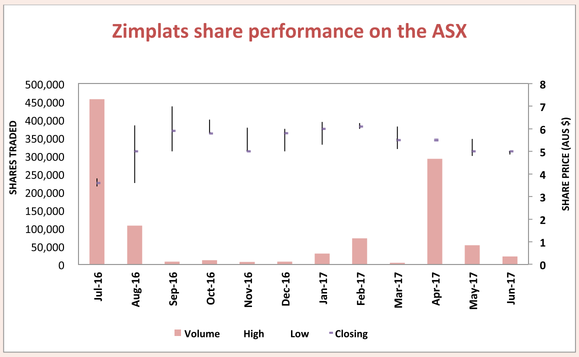
In terms of the definition under ASX Listing rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 79 (2016:95).

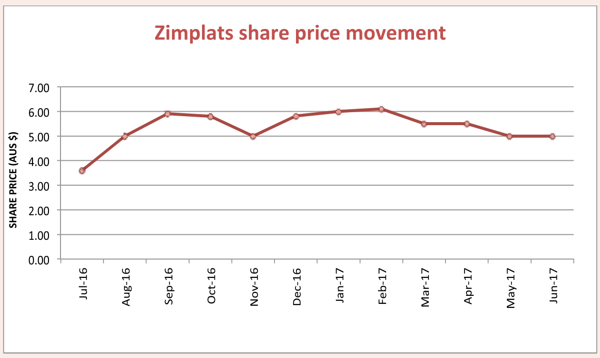
On-market buy back

Zimplats has no current arrangements for an on-market buy-back of shares.

Trading volume

As a consequence of Implats shareholding of 87% (2016:87%) at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level through-out the year.





Notice of Annual General Meeting

Notice is hereby given that the seventeenth annual general meeting of the members of Zimplats Holdings Limited (Zimplats or the Company) will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 13 October 2017 at 11:30am South African time (+1 GMT) for the following purposes:

1. To receive and consider the Company's annual financial statements, the directors' report and the report of the independent auditors for the year ended 30 June 2017.

2. To appoint PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as independent auditors for the ensuing year.

3. To approve the audit fees of US$20 790 for the year.

4. Election of directors:
   (a) To elect as a director Mr A Muchadehama.
   (b) To elect as a director Mr N J Muller.
   (c) To elect as a director Dr D S M Shoko.

Notes

1. Pursuant to the law of the Island of Guernsey, Zimplats has determined that, for the purpose of the annual general meeting, all shares in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+1 GMT) on Wednesday 11 October 2017 (the Entitlement Time).
2. All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the meeting. For further information on voting procedures, see the notes on the Proxy Information Sheet.

Explanatory note to resolutions

Resolution 1 – Annual financial statements, the directors' report and the report of the auditors

Resolution 1, which is an ordinary resolution, proposes that the annual financial statements, the directors' report and the report of the auditors for the year ended 30 June 2017 be received and considered.

Directors' recommendation

The directors unanimously recommend that you vote in favour of the resolution.

Resolution 2 – Appointment of PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as independent auditors for the ensuing year

Resolution 2, which is an ordinary resolution, proposes that PricewaterhouseCoopers Chartered Accountants (Zimbabwe) be appointed as auditors for the ensuing year. In accordance with section 257 of the Companies (Guernsey) Law 2008, as amended (the "Companies Law"), shareholders are required to approve the appointment of the Company's auditors each year to hold office until the next annual general meeting of the Company.

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditors of the Company for the year ending 30 June 2018.

Notice of Annual General Meeting (continued)

Directors' recommendation

The directors unanimously recommend that you vote in favour of the resolution.

Resolution 3 – Approve the audit fee of US$20 790 for the year ended 30 June 2017

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US$20 790 for the year be approved. In accordance with section 259 of the Companies (Guernsey) Law 2008, as amended (the "Companies Law"), shareholders are required to approve the remuneration of the Company's auditors. The audit fee is in respect of services rendered for the external audit of the Company for the year ended 30 June 2017.

Directors' recommendation

The directors unanimously recommend that you vote in favour of the resolution.

Resolution 4 – Election of directors

Resolutions 4(a), 4(b) and 4(c), which are ordinary resolutions, propose the election of those directors who were appointed during the year and who, in terms of the Company's articles of incorporation, are required to retire at the annual general meeting, are eligible to be elected and who are offering themselves for election.

The board of directors believe that these directors who are retiring, and who are offering themselves for election, should continue to be directors of the Company as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

(a) Election of Mr A Muchadehama as a director of the Company

Mr A Muchadehama, MBA, LLB, BL (Hons)

Mr Muchadehama was appointed to the board on 17 October 2016. He is a partner of the Harare law firm of Mbidzo, Muchadehama and Makoni. He is the chairperson of the Voluntary Media Council of Zimbabwe and the chairperson of the National Transitional Justice Working Group in Zimbabwe. He sits on a number of other boards in Zimbabwe. Alec is a member of the board's audit and risk committee and remuneration committee.

(b) Election of Mr N J Muller as a director of the Company

Mr N J Muller, Bsc (Mining Engineering)

Mr Muller was appointed to the board on 1 May 2017. He was appointed the chief executive officer and executive director of Impala Platinum Holdings Limited on 3 April 2017. He has a mining career spanning over a period of 27 years that has exposed him to multiple commodities including platinum.

(c) Election of Dr D S M Shoko as a director of the Company

Dr Dennis Servious Madenga Shoko, PhD, BSc Special Honours (Geology), BSc General

Dr Shoko was appointed to the board on 17 October 2016. He is the managing consultant and a director of Tailjet Consultancy Services (Private) Limited. He is a non-executive director of Chemaden Resources, Afrochine Smelting and African Chrome Fields and has previously held non-executive directorships in other companies in the mining sector. He is a member of the board's safety, health, environment and community (SHEC) committee.

Notice of Annual General Meeting (continued)

Directors' recommendation

All of the existing directors of the Company, other than those directors standing for election, recommend that you vote in favour of the election of Mr Muchadehama, Mr Muller and Dr Shoko, having regard to their respective qualifications to act as directors of your Company.

Voting by proxy

To be effective, proxy forms (duly completed and signed) must be received at:

1. Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001, Australia.
   Fax (within Australia) 1 800 783 447 or (outside Australia) +61 3 9473 2555; or
2. C. L. Secretaries Limited, 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW. Fax +44 1481 738917; or
3. Custodians – subscribers of Intermediary Online may lodge their votes electronically at www.intermediaryonline.com

by no later than 48 hours before the meeting (being 11:30am South African Standard Time) on Wednesday 11 October 2017.

Global Reporting Initiative (GRI) Index

General Standard disclosure	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
Strategy and Analysis				
G4-1	Most senior person's statement on sustainability	Fully	The chairman and the chief executive officer both mention management's approach to sustainability	18, 26
G4-2	Description of key impacts, risks and opportunities	Fully	Sustainability matters	45, 46, 47, 48
Organisational Profile				
G4-3	Name of organisation	Fully	• About this report • Business profile	3, 8
G4-4	Primary brands, products, and/or services	Fully	• Business profile • Directors report • Financial statements	8, 99, 117
G4-5	Location of organisation's headquarters	Fully	• Business profile • Financial statements • Shareholder calendar	8, 99, 181
G4-6	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	• Business profile • Location and operations	8, 10
G4-7	Nature of ownership and legal form	Fully	Business profile	8, 11, 87, 159, 164, 165
G4-8	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	• Business profile • Financial statements	8, 132, 142, 159
G4-9	Scale of the reporting organisation	Fully	Business profile	8
G4-10	Total number of employees by employment contract and gender. Report permanent employees by employment type, and gender, total workforce by region and gender, total workforce by employees, supervised workers and by gender, report total workforce by region and gender, report if substantial portion of work is by self-employees or contractors, report significant variations in employment numbers (seasonal variations)	Fully	• Sustainability matters • Chairman's letter • Chief executive officer's report • Five year review • Sustainability matters	8, 31, 36, 66
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	66
G4-12	Describe the organisations supply chain	Fully	Sustainability matters	49, 50, 51
G4-13	Significant changes during the reporting period regarding size, structure, or ownership	Fully	• Scope of this report • Business profile	4, 8

Global Reporting Initiative (GRI) Index (continued)

General Standard disclosure	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Fully	The firm has a range of risk assessment and management processes across the enterprise. In addition we have analysed our environment impacts and taken precautionary action by reducing our greenhouse gas emissions and other environmental impacts (see sustainability matters section)	45, 46, 47, 62
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Fully	• Zimplats endorses the Voluntary Principles on human rights • Zimplats is compliant with ISO 9001, ISO 14001 and OHSAS 18001 sytems	37, 38, 53, 57
G4-16	Memberships in associations (such as industry associations) and or national/ international advocacy organisations in which the organisation • Has positions on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	Fully	Zimbabwe Platinum Mines (Private) Limited is an active member of the Chamber of Mines (Zimbabwe)	52
Identified Material Aspects and Boundaries				
G4-17	All entities included in the organisation's consolidated financial statements and if any of these are not covered in this report	Fully	• About this report • Notes 1 and 7 of the financial statements	3, 117, 146
G4-18	Process for defining our report content and aspect boundaries and how the organisation implemented the Reporting Principles for defining report content	Fully	• About this report • Scope of this report • Sustainability matters	3, 4, 44
G4-19	List all the material aspects identified in the process of defining report content	Fully	• Scope of this report • Sustainability matters	4, 70, 86, 85, 94, 97, 102, 117
G4-20	Aspect boundary within the organisation.	Fully	• Business profile • Locations and operations • Sustainability matters	8, 10, 49
G4-21	Aspect boundary outside the organisation.	Fully	All material issues are in the boundary of the Group	

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Fully	• Scope of this report • Chief executive officer's report • Five year review • Sustainability matters	4, 27, 36, 54, 55
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	Fully	There have been no significant changes to the report scope and aspect boundaries	
Stakeholder Engagement				
G4-24	Provide a list of stakeholder groups engaged by the organisation	Fully	Sustainability matters	49-51
G4-25	Basis for identification and selection of stakeholders with whom to engage	Fully	Sustainability matters	49
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Fully	Sustainability matters	50-51
G4-27	Key topics, and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting	Fully	Sustainability matters	50-51
Report Profile				
G4-28	Reporting period (e.g. fiscal/calendar year) for information provided	Fully	About this report	3
G4-29	Date of most recent previous report	Fully	About this report	3
G4-30	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually	
G4-31	Contact point for questions regarding the report or its contents?	Fully	Scope of this report	4, 181
G4-32	Table identifying the location of the standard disclosures in this report	Fully	GRI index	169-173
G4-33	Policy and current practice with regard to seeking independent assurance for the report	Fully	Zimplats has sought external assurance for selected sustainability information and disclosures, as referenced in the integrated annual report and in the independent assurance engagement report	174-177
G4-34	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks such as setting strategy or organisational oversight	Fully	Corporate governance report	11-17, 87-96
G4-38	Composition of the highest governance body and its committees	Fully	• Board of directors • Corporate governance report	11-17, 87-96

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	• The Chair is a non-executive director • Corporate governance report	12, 89
G4-45	Highest governance body's role in the identification, and management of economic, environmental, and social impacts, risks and opportunities, including due diligence, and stakeholder consultation	Fully	Corporate governance report	90, 91, 92
Ethics and Integrity				
G4-56	The organisation's , values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Fully	Corporate governance report	95
G4-57	Report the internal, and external mechanisms for seeking advice, on ethical, and lawful behaviour, and matters related to organisational integrity, such as helplines, or advice lines	Fully	Corporate governance report	93, 95, 96
Specific Standard Disclosures				
ECONOMIC				
Aspect: Economic Performance				
G4-Disclosures on Management Approach (DMA)		Fully	• Chairman's letter • Chief executive officer's report • Financial statements	22, 35
G4-EC1	Direct Economic value generated and distributed	Fully	• Chairman's letter • Cash utilisation	22, 32, 33, 34, 52
Aspect: Procurement Practices				
G4-DMA		Fully	• Chairman's letter • Chief executive officer's report • Financial statements	22, 38
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Fully	• Chairman's letter • Achievements FY2016	18, 42
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Aspect: Occupational Health and Safety				
G4-DMA		Fully	Sustainability matters: Human Resources	66
G4-LA6	Occupational Health and Safety Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Yes	• Chairman's letter • Chief executive officer's report • Sustainability matters	20, 27, 28, 66

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
ENVIRONMENTAL				
Aspect: Materials				
G4-DMA		Fully	Sustainability matters	63, 64
G4-EN1	Material used by weight and volume	Yes	Sustainability matters	63
Aspect: Energy				
G4-DMA		Fully	Sustainability matters	63, 64
G4-EN3	*Energy consumption within the organisation	Yes	Sustainability matters	64
G4-EN4	*Energy consumption outside the organisation	Yes	Sustainability matters	64
Aspect: Water				
G4-DMA		Fully	Sustainability matters	63, 64
G4-EN8	Total water withdrawal by source.	Yes	Sustainability matters	61
G4-EN10	Percentage and total volume of water recycled and reused	Yes	Sustainability matters	
Aspect: Emissions				
G4-DMA		Fully	Sustainability matters	63, 64
G4-EN15	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	63
G4-EN16	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	63
Aspect: Compliance				
G4-EN29	Monetary value of significant fines in total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Yes	• Chairman's letter • Chief executive officer's report • Sustainability matters	20, 29, 60

Independent Limited Assurance report for selected Key Performance Indicators and application of the core level GRI G4 guidelines in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2017

TO THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that –

- The selected sustainability information identified in the subject matter paragraph below, as presented in Zimplats Holdings Limited's (Zimplats') Integrated Annual Report for the year ended 30 June 2017 (the Report) is not prepared, in all material respects, in accordance with Zimplats' internally developed measurement and reporting criteria applied to prepare that information [include footnote reference to where those criteria are made available for the report users]; and.
- Zimplats' assertion that the Report is in accordance with the core-level GRI G4 Guidelines included on page 4 of the Report is not, in all material respects, in accordance with the relevant GRI G4 Guidelines requirements for making that assertion.

Ernst & Young Inc. (EY) has undertaken a limited assurance engagement for the selected KPIs described below presented in Zimplats' Integrated Annual Report for the year ended 30 June 2017 (the Report); and for Zimplats' assertion made in the Report that the Report is in accordance with the core-level Global Reporting Initiative (GRI) G4 Guidelines.

This engagement was conducted by a multidisciplinary team including environmental, health & safety and social specialists with extensive experience in sustainability and carbon footprint reporting and assurance.

Subject matter

Our limited assurance engagement was performed for the selected KPIs listed below and related performance disclosures as presented in the Report, and Zimplats' self-declared assertion that the report is in accordance with the core-level GRI G4 Guidelines.

Selected KPIs
G4-LA6: Total Injury Frequency Rate (TIFR), Lost Time Injury Frequency Rate (LTIFR), and total number of work-related fatalities
G4-EC1: Direct economic value generated and distributed (Community Social Investments (CSI) only)
G4-EN1: Materials used by weight or volume
G4-EN3: Energy consumption within the organisation
G4-EN8: Total water withdrawal by source
G4-EN15: Direct (Scope 1) and G4-EN16: Indirect (Scope 2) GHG Emissions
G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

These selected KPIs, prepared and presented in accordance with management's internally defined measurement and reporting criteria (management's measurement and reporting criteria) for Zimplats Holdings Limited and its operating subsidiaries, are marked with a '▲' on the relevant pages of the Report where they appear.

Management's internally developed measurement and reporting criteria for these selected KPIs are included in the glossary of terms on pages 178 to 180 of the Report.

The scope of our work was limited to the matters stated above in relation to the Report, and did not include coverage of data sets or information relating to areas other than the selected KPIs, information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

Independent Limited Assurance report for selected Key Performance Indicators and application of the core level GRI G4 guidelines in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2017

Directors' responsibilities

You are responsible for presenting the Report in accordance with the core-level GRI G4 Guidelines, and for the selection, preparation and presentation of the selected KPIs and related management disclosures in the Report in accordance with management's internally developed measurement and reporting criteria.. You are also responsible for determining the appropriateness of those measurement and reporting criteria in view of the intended users of the selected KPIs disclosed in the Report (i.e. Zimplats' stakeholders) and for disclosing those criteria for the intended users.

Furthermore, you are responsible for the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the selected KPIs and related disclosures, and for Zimplats' assertion on application of the GRI G4 Guidelines in the Report, free from material misstatement, whether due to fraud or error.

Inherent limitations

Inherent limitations of assurance engagements include use of selective testing of the information being examined, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement.

Carbon emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third party information.

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants as well as the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform our limited assurance engagement to express our conclusion on whether anything has come to our attention that causes us to believe that:

- the selected KPIs and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs; and
- Zimplats' assertion contained in the Report that the Report is in accordance with the core-level GRI G4 Guidelines is not, in all material aspects, in accordance with the GRI G4 Guidelines requirements for making that assertion.

Independent Limited Assurance report for selected Key Performance Indicators and application of the core level GRI G4 guidelines in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2017

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Zimplats, including performing the engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs as presented in the Report, are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE3410 involves assessing the suitability in the circumstances of managements' internally developed measurement and reporting criteria as the basis of preparation for reporting the selected KPIs, assessing the risks of material misstatement of those selected KPIs, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Reviewed Zimplats activities, processes and documents at group-level that support the assertions and claims made in the Report;
- Interviewed management and senior executives to obtain an understanding of the following that is relevant to the sustainability reporting process:
  - Governance and accountability of relevant sustainability issues
  - Objectives and priorities for embedding and managing sustainability expectations and the progress against these
  - The processes for reporting progress and providing internal assurance to management on sustainability issues
  - The process for determining materiality of sustainability issues
- The control environment and information systems relevant to preparing the selected KPIs and for their inclusion in the Report (but not for purposes of evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness);
- Performing analytical procedures to evaluate the relevant data generation and reporting processes against management's measurement and reporting criteria.
- Inspecting the GRI G4 content index prepared by management to assess presentation of the Report in accordance with the core-level GRI G4 Guidelines.
- Inspecting supporting documentation on a sample basis, to corroborate the statements of management and senior executives in our interviews.
- Evaluating the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation and application of the selected sustainability information subject to assurance.
- Evaluating whether the selected sustainability information subject to assurance as presented in the Report, and management's GRI assertion that the Report is presented in accordance with the Core GRI G4 Principles, is consistent with our overall knowledge and experience of sustainability and carbon footprint management and performance at Zimplats. This will include challenging and reviewing the Report to assess its content for coverage of material issues and consistency with observations made of processes and progress. As part of this, we will seek supporting documentation for a sample of claims made in the Report.

Independent Limited Assurance report for selected Key Performance Indicators and application of the core level GRI G4 guidelines in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2017

- Preparing our assurance statement for inclusion in the Report. The statement will be structured to meet the requirements for a limited assurance engagement report under ISAE3000 (Revised) and ISAE3410,
- Providing overall project management and feedback on relevant observations to the reporting team and selected sustainability information data owners at key stages throughout the engagement. At the end of the engagement we will prepare a summary management comment letter.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result the level of assurance obtained in our limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the selected KPIs presented in the Report have been prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs.

Other matters

Information relating to prior reporting periods has not be subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report.

The maintenance and integrity of Zimplats website is the responsibility of Zimplats' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected KPIs in the Report, the GRI G4 content index or our independent assurance report that may have occurred since the initial date of presentation on the Zimplats' website.

Restriction of use and liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Zimplats in accordance with the terms of our engagement, and for no other purpose. Our report is intended solely for the directors of Zimplats and must not be used by any other parties.

To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Zimplats, for our work, for this report, or for the conclusion we have reached. We agree to the publication of this assurance report in Zimplats' Report for the year ending 30 June 2017, provided it is clearly understood by recipients of the Report that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Charles Mazhindu
Registered Auditor
Chartered Accountant (SA)

Ernst & Young
102 Rivonia Road
Johannesburg

8 September 2017

General Information

- In this report any reference to 'Zimplats', 'the Group' or 'the Company' means Zimplats Holdings Limited and/or its subsidiaries
- Zimplats is a company incorporated in Guernsey, British Isles, registration number 34014. As such, the main laws controlling the corporate operations of the Company are the laws of Guernsey
- Zimplats is registered as a foreign company in Australia, number ARBN 083 463 058, and is listed on the Australian Stock Exchange with the code ZIM
- Zimplats shares are freely transferable, subject to formal requirements and the registration of a transfer, which does not result in a contravention of, or failure to observe, a provision of law
- Zimplats is not subject to Chapter 6 of the Australian Corporation Law dealing with the acquisition of shares, including substantial shareholdings and takeovers
- Zimplats is not subject to the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares (UK) (the Code)
- All reported currency is expressed in United States of America dollars unless otherwise indicated
- All weights expressed in ounces are troy ounces.

GLOSSARY OF TERMS

4E	Four elements. The grade may be measured as the combined content of the four precious metals - platinum, palladium, rhodium and gold
6E	Six elements. The grade may be measured as the combined content of the six precious metals – platinum, palladium, iridium, rhodium, ruthenium and gold
Au	Chemical symbol for gold
Bankable standard	Capable of supporting an application to a recognised project financier for project finance
Beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
Concentrate	Material that has been processed to increase content of contained metal or mineral relative to the contained waste
Converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte
CSI	Corporate social investment
Cu	Chemical symbol for copper
Cut-off-grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit
EMA	Environment Management Agency
FY	Financial year. The financial year for the group ends on 30 June of any year
Gangue	The unwanted material
LTI	Lost-time-injury. LTI is defined as a work-related injury resulting in the employee being unable to attend work, at his/her place of work, performing routine work functions in his/her normal or similar occupation, on the next calendar day (whether a scheduled work day or not) after the day of the injury.
LTIFR	Lost-time-injury frequency rate. This measures the number of work-related injuries resulting in a lost time injury X 1 000 000 exposure man-hours divided by the man hours worked.
Mafic	An igneous rock with high magnesium and iron content, usually dark in colour
Matte	A mixture of various base metal sulphides, containing the precious metals which is produced during smelting and converting. Green matte refers to the product from smelting, and contains high levels of iron sulphides, which are removed during converting to give a white matte containing minimal levels of iron

General Information (continued)

Mineral resource	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition a 'mineral resource' is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories. Mineral resources are subdivided into measured, indicated and inferred categories as follows:- A **'measured mineral resource'** - is that part of a mineral resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes,and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A **measured mineral resource** has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proved ore reserve An **'indicated mineral resource'** is that part of a mineral resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable ore reserve. An **'inferred mineral resource'** is that part of a mineral resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to an ore reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
MSZ	Main Sulphide Zone – a thin layer of crystalline igneous rock containing small amounts of sulphide minerals located near the top of the ultramafic igneous sequence which forms the lower part of the Hartley Geologic Complex.
Ni	Chemical symbol for nickel
Ore grade	The average amount of the valuable metal or mineral contained in a specific mass of ore.
Ore Reserve	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition an 'Ore Reserve' is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

General Information (continued)

	Ore reserves are subdivided into proved and probable categories as follows:- A **'proved ore reserve'** is the economically mineable part of a measured mineral resource. A proved ore reserve implies a high degree of confidence in the modifying factors. A 'probable ore reserve' is the economically mineable part of an Indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable ore reserve is lower than that applying to a proved ore reserve.
Pd	Chemical symbol for palladium
Peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum group metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum
RBZ	Reserve Bank of Zimbabwe
Refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
RL	Chemical symbol for rhodium
ROM	Run-of-mine
Room and pillar mining	As practised at Zimplats, mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (rooms) are developed on strike. A series of in-situ reef pillars are left between these mined out rooms to help support the mine roof and control the flow of air. Generally, rooms are five to seven metres wide and the pillars up to 35 metres wide. As mining advances, a grid-like pattern of rooms and pillars is formed.
SAG	Semi autogeous grinding
SMC	Selous Metallurgical Complex
Smelting	Thermal processing whereby the base metal sulphide and precious metal minerals contained in the concentrate are separated from the gangue minerals in the molten state. The base metal sulphides and precious metal minerals report as green matte, while the gangue minerals report as slag.
Tailings	A finely ground waste product from ore processing
TMM	Trackless mining machinery
Toll refining	The process where the final stage of refining is performed by a third party and the costs met by the miner.
Total injuries	Total injuries includes all fatalities, lost time injuries, cases restricted for work, cases of substitute work due to injury and medical treatment cases by medical professionals (doctors, nurses, etc.). It does not include any first aid injury.

UNITS OF MEASURE

g/t	grams per tonne	micron	one millionth of a metre
kg	kilograms	moz	million ounces
kl	kilolitre	Mt	million tonnes
km	kilometres	Mtpa	million tonnes per annum
kt	thousand tonnes	MW	megawatts
lcm	loose cubic metre	t	metric tonnes
oz	troy ounces	ML	mega litres
m	metres	ha	hectares

Shareholder Calendar 2017/2018

2017 calendar year

FY2017 year-end	30 June 2017
June 2017 quarterly activities report released	31 July 2017
Integrated annual report mailed	September 2017
September 2017 quarterly activities report released	31 October 2017
Annual general meeting	13 October 2017

2018 calendar year

December 2017 quarterly activities report released	31 January 2018
December 2017 half yearly report and accounts released	29 February 2018
March 2018 quarterly activities report released	30 April 2018
FY2018 year-end	30 June 2018
June 2018 quarterly activities report released	31 July 2018
Release of FY2018 results	31 August 2018
Integrated annual report mailed	September 2018
September 2018 quarterly activities report released	31 October 2018
Annual general meeting	October 2018

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WANT TO BE KEPT UP TO DATE WITH ZIMPLATS NEWS?

1. Zimplats has a web page, which can be viewed at www.zimplats.com. Whilst visiting our page please register for e-mail alerts in order that you may be kept up to date with what is happening within the Company.
2. Stock exchange information and announcements can be viewed on line at www.asx.com.au.
   The ASX company code is ZIM.

Notes

Notes

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